

COUNTY COMMISSIONERS OF  
DORCHESTER COUNTY, MARYLAND

FINANCIAL REPORT

JUNE 30, 2003

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## INDEPENDENT AUDITORS' REPORT

County Commissioners of  
Dorchester County, Maryland  
Cambridge, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Dorchester County, Maryland (the "County") as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Dorchester County, Maryland. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dorchester County Sanitary Districts. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dorchester County Sanitary Districts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

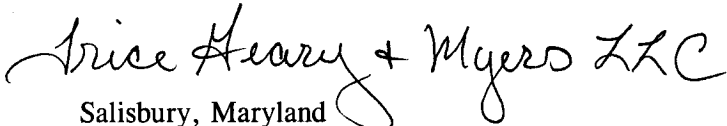
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Dorchester County, Maryland as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* as of June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2004 on our consideration of Dorchester County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Salisbury, Maryland  
January 16, 2004

## **DORCHESTER COUNTY, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

The management of Dorchester County offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the basic financial statements and accompanying Notes to Financial Statements. The new reporting model required by Governmental Accounting Standards Board Statement No. 34 was implemented during fiscal year 2003. The new financial reporting model and the new financial statements associated with it are described in the following narrative as well as in the Notes to Financial Statements. Although fiscal year 2003 financial data was converted for the new financial reporting model, comparative data for fiscal year 2002 was not converted. This discussion will contain comparative analysis in future years when prior year information is available.

### **FINANCIAL HIGHLIGHTS**

The following are key financial highlights for the fiscal year:

- The assets of the County exceeded its liabilities at June 30, 2003 by \$26.9 million (*net assets*). Of this amount, \$9.9 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$2 million, a \$0.3 million decrease from governmental funds, and a \$2.3 million increase from business-type activities.
- As of June 30, 2003, the County's governmental funds reported combined ending fund balances of \$13.2 million, a decrease of \$0.8 million from the prior year. Of this amount, \$13 million is available for use at the County's discretion (*unreserved fund balance*).
- At June 30, 2003, unreserved fund balance for the General Fund was \$4.5 million, or 12 percent of total general fund expenditures and transfers out.
- The County's total bonded debt decreased by \$1.9 million or 6 percent during the fiscal year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of Dorchester County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Dorchester County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Dorchester County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, social services, public works, recreation, natural resources, economic development, tourism and health. The business-type activities of the County include solid waste and aviation.

The government-wide financial statements include not only the County itself, but also the Dorchester County Board of Education and the Dorchester County Sanitary Districts, Inc., legally separate entities for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on the pages 13 and 14 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Dorchester County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the capital projects funds (2), the debt service fund, and the reserve fund, which are considered to be major funds. Data for the other two governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund, special revenue grants fund, and capital fund. A budgetary comparison statement has been provided for the general fund and other major governmental funds to demonstrate compliance with these budgets.

### **Proprietary Funds**

The County maintains only the enterprise fund type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste and aviation operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for both proprietary operations, both of which are considered to be major funds of the County.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general and major special revenue funds.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$26.9 million as of June 30, 2003. The largest portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets still outstanding. These capital assets are used to provide services to citizens; consequently these assets are not available for future spending. It should also be noted that the resources required to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Dorchester County's Net Assets

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 18,579,823	\$ 4,209,416	\$ 22,789,239
Capital assets	30,117,406	11,482,042	41,599,448
Total assets	48,697,229	15,691,458	64,388,687
Long-term liabilities outstanding	27,086,794	384,496	27,471,290
Other liabilities	3,494,122	6,526,146	10,020,268
Total liabilities	30,580,916	6,910,642	37,491,558
Net assets:			
Invested in capital assets, net of related debt	4,433,330	11,126,819	15,560,149
Restricted	1,430,045	-	1,430,045
Unrestricted (deficit)	12,252,939	(2,346,003)	9,906,936
Total net assets	\$ 18,116,314	\$ 8,780,816	\$ 26,897,130

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors. As of June 30, 2003 the County reports positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business-type activities.

### **Governmental Activities**

Governmental activities decreased the County's net assets by \$0.3 million. Key elements of this decrease are as follows:

#### **Dorchester County's Changes in Net Assets**

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 2,428,165	\$ 2,228,003	\$ 4,656,168
Operating grants and contributions	9,624,316	-	9,624,316
Capital grants and contributions	960,726	1,991,290	2,952,016
General revenues:			
Property taxes	14,518,852	-	14,518,852
Other taxes	10,437,114	-	10,437,114
Other	1,671,575	92,589	1,764,164
<b>Total revenues</b>	<b>39,640,748</b>	<b>4,311,882</b>	<b>43,952,630</b>
Expenses:			
General government	2,384,171	-	2,384,171
Public safety	7,500,096	-	7,500,096
Social services	550,067	-	550,067
Public works	4,791,543	-	4,791,543
Miscellaneous	1,952,442	-	1,952,442
Recreation and parks	1,048,355	-	1,048,355
Natural resources	549,787	-	549,787
Economic development	442,901	-	442,901
Interest on debt	1,279,622	-	1,279,622
Education	16,325,425	-	16,325,425
Intergovernmental	2,938,932	-	2,938,932
Aviation	-	563,556	563,556
Solid waste	-	1,608,187	1,608,187
<b>Total expenses</b>	<b>39,763,341</b>	<b>2,171,743</b>	<b>41,935,084</b>
Increase (decrease) in net assets before transfers	(122,593)	2,140,139	2,017,546
Transfers	(227,157)	227,157	-
Increase (decrease) in net assets	(349,750)	2,367,296	2,017,546
Net assets June 30, 2002, as restated	18,466,064	6,413,520	24,879,584
Net assets June 30, 2003	\$ 18,116,314	\$ 8,780,816	\$ 26,897,130



The County's governmental activities had net expenses of \$26.8 million. However, these services are intended to be primarily funded by taxes, as opposed to charges for services and grants, and those taxes and other general revenues were short of net expenses by \$0.1 million.

### **Business-type activities**

The County's business-type activities had net revenue of \$2.3 million, with solid waste reporting an operating income of \$303,327 and aviation reporting an operating loss of \$215,843. Aviation relies upon transfers of other revenues to cover its net expenses. Non-operating revenues of \$2.2 million include federal and state grants, interest income, and the general fund operational subsidy of the Airport.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of its fiscal year.

At June 30, 2003, the County's governmental funds reported combined ending fund balances of \$13.2 million, a decrease of \$0.6 million from the prior year. Approximately 99% of the combined fund balances (\$13.1 million) constitutes unreserved fund balance, which is available for spending at the government's discretion. However, of this unreserved fund balance, only \$0.9 million remains undesignated, as the County has designated funding to be used for the 2004 budget (\$1.1 million), capital projects (\$1.0 million), highway purposes (\$1.3 million), and other purposes (\$0.2million). The remainder of the balance is reserved to indicate that it is not available for new spending because it has already been committed for prepaid expenditures and workers compensation deposits (\$0.1 million).

The general fund is the chief operating fund of the County. At June 30, 2003, unreserved fund balance of the general fund was \$4.5 million and total general fund balance was \$4.6 million. As a measure of the general fund's liquidity, the total fund balance represents 12 percent of total general fund expenditures and transfers out.

### **Proprietary Funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Aviation operating revenues declined \$32,702 or 9 percent due to the protracted recovery of air travel following the events of September 11, 2001. Unrestricted net assets of the Aviation fund were a deficit of \$0.9 million at June 30, 2003. Solid waste operating revenues declined \$117,540 or 6% due to general reduction in system usage. Unrestricted net assets of solid waste were a deficit of \$1.4 million, reflecting the impact of landfill closure and post-closure obligations.

## BUDGETARY HIGHLIGHTS

Budget and actual comparison schedules are provided in the *Basic Financial Statements* for the General Fund and all major special revenue funds. Budget and actual comparison schedules are also provided in the *Combining and Individual Fund Statements and Schedules* for all nonmajor funds with annually appropriated budgets as well as for the capital outlay reserve fund. The budget and actual comparison schedules show the original adopted budgets, the final revised budget, actual results, and variance between the final budget and actual results for the general and major special revenue funds. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues.

Differences between the original budget and the final amended budget for the General Fund were relatively minor and can be summarized as follows:

- Revenues and expenditures were increased \$65,284 or 0.2% due primarily to federal aid reimbursing costs incurred mitigating damages suffered from a snowstorm event.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets for its governmental and business type activities as of June 30, 2003 amounted to \$41.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, and bridges.

Major capital asset events during the fiscal year included the following:

- The near completion of a new terminal at the Cambridge-Dorchester Airport
- The construction of cell 3 at the landfill.

### Dorchester County's Capital Assets

	Governmental Activities	Business-type Activities	Total
Land	\$ 4,851,807	\$ 636,137	\$ 5,487,944
Buildings and improvements	20,766,542	6,631,502	27,398,044
Infrastructure	35,275,266	2,776,707	38,051,973
Equipment	7,844,974	1,955,367	9,800,341
Construction in progress	-	4,878,881	4,878,881
Total capital assets	68,738,589	16,878,594	85,617,183
Less accumulated depreciation	(38,621,183)	(5,396,552)	(44,017,735)
Net capital assets	\$ 30,117,406	\$ 11,482,042	\$ 41,599,448

Additional information on the County's capital assets can be found in Note 5 to the financial statements.

### **Long-term debt**

At June 30, 2003 the County had total bonded debt outstanding of \$27.5 million. Of this amount, \$20.3 million comprises debt backed by the full faith and credit of the government, \$5.8 million is loans payable and other obligations, and \$1.4 million is compensated absences and pension liability.

#### **Dorchester County's Outstanding Debt**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 20,251,074	\$ -	\$ 20,251,074
Loans payable and other	5,433,002	355,223	5,788,225
Obligations	1,402,718	29,173	1,431,891
Total	\$ 27,086,794	\$ 384,396	\$ 27,471,190

The County's outstanding bonded indebtedness declined \$1.9 million during the year.

The County continues to meet its financial needs through prudent use of its revenues and conservative debt financing programs. The County's financial strength and sound financial management practices are reflected in its general obligation bond investment ratings:

A2 Moody's Investor Services  
A Standard & Poor's Corporation

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Local, national and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, income taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, and assessed valuation.

- Employment in the County during June 2003 was 13,671, which is a 3 percent decrease from the June 2002 employment of 14,079.
- The June 2003 unemployment rate for the County was 9.6 percent, higher than the rate for the state of Maryland (4.6%) and the nation (6.5%).
- Hotel gross receipts in the County were in excess of \$14 million, an increase of 200% due to the operating of the Chesapeake Bay Hyatt Resort, Marina & Spa beginning August 2002.
- Residential new construction in calendar year 2002 is evidenced by the issuance of 176 building permits valued at \$20.8 million, which is an increase of 50 permits and \$3.4 million.
- The total County Assessable Base for the tax year beginning July 1, 2003 was \$1,817,529,000, which reflects an increase of \$175 million or 11 percent over the prior year.
- Stock market declines led to decreased income tax collections during fiscal year 2003.
- State budgetary concerns led to decreases in state aid to local governments.

All of these factors were considered in preparing the County's budget for the 2004 fiscal year. After two years at \$0.88 per \$100 of assessed value, the County's property tax rate was increased to \$0.93.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, 501 Court Lane, Cambridge, MD 21613.

**DORCHESTER COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**PRIMARY GOVERNMENT AS OF JUNE 30, 2003**  
**COMPONENT UNITS AS OF JUNE 30, 2003**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and short-term investments	\$ 12,464,014	\$ 4,147,959	\$ 16,611,973
Receivables:			
State and local property taxes	2,175,942	-	2,175,942
Accounts receivable, net	350	285,144	285,494
Federal government	490,006	460,422	950,428
State of Maryland	2,024,328	187,149	2,211,477
Local	204,705	-	204,705
Other	15,665	-	15,665
Internal balances	914,986	(914,986)	-
Inventories, at cost	-	18,711	18,711
Prepaid expenditures	48,200	25,017	73,217
Bond issuance costs, net	164,468	-	164,468
Other	77,159	-	77,159
Capital assets, net	30,117,406	11,482,042	41,599,448
<b>Total assets</b>	<b>48,697,229</b>	<b>15,691,458</b>	<b>64,388,687</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,395,258	499,994	1,895,252
Due to State of Maryland	220,912	-	220,912
Due to delinquent taxpayers	98,593	-	98,593
Deferred revenue	1,748,161	2,360	1,750,521
Landfill closure and postclosure care costs	-	6,023,892	6,023,892
Pension liability	540,692	-	540,692
Other	31,198	-	31,198
Long-term liabilities, due within one year			
Compensated absences	265,194	12,046	277,240
Bonds, notes and capital leases payable	2,248,423	144,662	2,393,085
Long-term liabilities, due in more than one year			
Compensated absences	596,832	17,127	613,959
Bonds, notes and capital leases payable	23,435,653	210,561	23,646,214
<b>Total liabilities</b>	<b>30,580,916</b>	<b>6,910,642</b>	<b>37,491,558</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,433,330	11,126,819	15,560,149
Restricted for:			
Fiscal year 2004 budget	1,430,045	-	1,430,045
Other purposes	-	-	-
Unrestricted (deficit)	12,252,939	(2,346,003)	9,906,936
<b>Total Net Assets</b>	<b>\$ 18,116,314</b>	<b>\$ 8,780,816</b>	<b>\$ 26,897,130</b>

*The Notes to Financial Statements are an integral part of this statement.*

Component Units	
Board of Education of Dorchester County	Dorchester County Sanitary Districts
\$ 6,029,636	\$ 898,010
-	-
-	43,748
240,984	-
33,806	-
82,039	-
-	-
-	-
18,887	-
-	-
-	-
143,878	-
42,149,834	4,339,017
<u>48,699,064</u>	<u>5,280,775</u>
1,821,677	83,980
-	-
-	18,017
1,784,403	29,867
-	-
178,200	-
6,750	-
-	-
29,659	15,032
806,840	10,408
61,105	332,745
<u>4,688,634</u>	<u>490,049</u>
42,059,070	3,991,240
464,331	-
361,691	128,584
1,125,338	670,902
<u>\$ 44,010,430</u>	<u>\$ 4,790,726</u>

# DORCHESTER COUNTY, MARYLAND

## STATEMENT OF ACTIVITIES Year Ended June 30, 2003

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
<b>Governmental Activities</b>				
General government	\$ 2,384,171	\$ 67,739	\$ 39,331	\$ -
Public safety	7,500,096	2,001,162	751,029	139,955
Social services	550,067	-	302,605	-
Recreation and parks	1,048,355	35,988	102,693	415,799
Natural resources	549,787	-	-	401,222
Economic development	442,901	-	18,000	-
Intergovernmental	2,938,932	-	7,768,559	-
Miscellaneous	1,952,442	-	126,608	3,750
Education	16,325,425	73,456	-	-
Public works	4,791,543	249,820	515,491	-
Interest on long-term debt	1,279,622	-	-	-
<b>Total Governmental Activities</b>	<b>39,763,341</b>	<b>2,428,165</b>	<b>9,624,316</b>	<b>960,726</b>
<b>Business-Type Activities</b>				
Airport	563,556	343,249	-	1,991,290
Landfill	1,608,187	1,884,754	-	-
<b>Total Business-Type Activities</b>	<b>2,171,743</b>	<b>2,228,003</b>	<b>-</b>	<b>1,991,290</b>
<b>Total primary government</b>	<b>\$ 41,935,084</b>	<b>\$ 4,656,168</b>	<b>\$ 9,624,316</b>	<b>\$ 2,952,016</b>
<b>Component Units</b>				
Board of Education of Dorchester County	\$ 45,082,909	\$ 2,836,319	\$ 48,116,106	\$ -
Dorchester County Sanitary Districts	697,039	430,552	-	-
<b>Total component units</b>	<b>\$ 45,779,948</b>	<b>\$ 3,266,871</b>	<b>\$ 48,116,106</b>	<b>\$ -</b>

### General Revenues

#### Taxes:

Property

Income

Other

Licenses and permits

Payments in lieu of taxes

Interest

Other

Total General Revenues

Transfers

Total general revenues and transfers

Change in Net Assets

Net Assets Beginning of Year, as restated

Net Assets End of Year

*The Notes to Financial Statements are an integral part of this statement.*

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Board of Education of Dorchester County	Dorchester County Sanitary Districts
\$ (2,277,101)	\$ -	\$ (2,277,101)	\$ -	\$ -
(4,607,950)	-	(4,607,950)	-	-
(247,462)	-	(247,462)	-	-
(493,875)	-	(493,875)	-	-
(148,565)	-	(148,565)	-	-
(424,901)	-	(424,901)	-	-
4,829,627	-	4,829,627	-	-
(1,822,084)	-	(1,822,084)	-	-
(16,251,969)	-	(16,251,969)	-	-
(4,026,232)	-	(4,026,232)	-	-
(1,279,622)	-	(1,279,622)	-	-
<u>(26,750,134)</u>	<u>-</u>	<u>(26,750,134)</u>	<u>-</u>	<u>-</u>
-	1,770,983	1,770,983	-	-
<u>-</u>	<u>276,567</u>	<u>276,567</u>	<u>-</u>	<u>-</u>
-	2,047,550	2,047,550	-	-
<u>\$ (26,750,134)</u>	<u>\$ 2,047,550</u>	<u>\$ (24,702,584)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 5,869,516	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(266,487)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,869,516</u>	<u>\$ (266,487)</u>
\$ 14,518,852	\$ -	\$ 14,518,852	\$ -	\$ -
7,676,378	-	7,676,378	-	-
2,760,736	-	2,760,736	-	67,104
303,276	-	303,276	-	-
68,212	-	68,212	-	-
322,876	83,115	405,991	78,581	17,934
977,211	9,474	986,685	271,992	6,958
<u>26,627,541</u>	<u>92,589</u>	<u>26,720,130</u>	<u>350,573</u>	<u>91,996</u>
<u>(227,157)</u>	<u>227,157</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>26,400,384</u>	<u>319,746</u>	<u>26,720,130</u>	<u>350,573</u>	<u>91,996</u>
(349,750)	2,367,296	2,017,546	6,220,089	(174,491)
<u>18,466,064</u>	<u>6,413,520</u>	<u>24,879,584</u>	<u>37,790,341</u>	<u>4,965,217</u>
<u>\$ 18,116,314</u>	<u>\$ 8,780,816</u>	<u>\$ 26,897,130</u>	<u>\$ 44,010,430</u>	<u>\$ 4,790,726</u>



# DORCHESTER COUNTY, MARYLAND

## BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2003

	General Fund	Special Revenue	Capital Projects	Debt Service
<b>ASSETS</b>				
Cash and short-term investments	\$ 3,428,715	\$ 606,054	\$ 6,984,475	\$ -
Receivables:				
State and local property taxes	2,175,942	-	-	-
Accounts, net	-	-	-	-
Federal government	297,748	192,258	-	-
State of Maryland	1,696,595	327,733	-	-
Local	204,705	-	-	-
Other	-	14,164	-	-
Interfund	1,804,145	1,444,919	-	247,482
Prepaid expenditures	48,200	-	-	-
Bond issuance costs, net	-	-	164,468	-
Other	77,159	-	-	-
<b>Total assets</b>	<b>\$ 9,733,209</b>	<b>\$ 2,585,128</b>	<b>\$ 7,148,943</b>	<b>\$ 247,482</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 469,709	\$ 671,639	\$ 246,187	\$ 505
Due to State of Maryland	220,912	-	-	-
Due to delinquent taxpayers	98,593	-	-	-
Interfund payables	2,264,891	-	336,099	-
Due to others	9,475	-	-	-
Deferred revenue	2,070,275	1,559,006	-	-
Confiscated drug funds	21,723	-	-	-
<b>Total liabilities</b>	<b>5,155,578</b>	<b>2,230,645</b>	<b>582,286</b>	<b>505</b>
<b>FUND BALANCES</b>				
Reserved for:				
Prepaid expenditures	48,200	-	-	-
Workers' compensation deposit	30,641	-	-	-
Unreserved:				
Designated for legal indemnification	100,000	-	-	-
Designated for 2004 expenditures	1,075,562	354,483	-	-
Designated for capital projects	1,033,274	-	6,566,657	-
Designated for highway use	1,283,665	-	-	-
Designated for other purposes	78,325	-	-	246,977
Undesignated	927,964	-	-	-
<b>Total fund balances</b>	<b>4,577,631</b>	<b>354,483</b>	<b>6,566,657</b>	<b>246,977</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,733,209</b>	<b>\$ 2,585,128</b>	<b>\$ 7,148,943</b>	<b>\$ 247,482</b>

*The Notes to Financial Statements are an integral part of this statement.*

Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,414,264	\$ 30,506	\$ 12,464,014
-	-	2,175,942
-	350	350
-	-	490,006
-	-	2,024,328
-	-	204,705
1,501	-	15,665
-	20,700	3,517,246
-	-	48,200
-	-	164,468
-	-	77,159
<u>\$ 1,415,765</u>	<u>\$ 51,556</u>	<u>\$ 21,182,083</u>

\$ -	\$ 7,218	\$ 1,395,258
-	-	220,912
-	-	98,593
-	1,270	2,602,260
-	-	9,475
-	43,068	3,672,349
-	-	21,723
<u>-</u>	<u>51,556</u>	<u>8,020,570</u>

-	-	48,200
-	-	30,641
-	-	100,000
-	-	1,430,045
-	-	7,599,931
-	-	1,283,665
1,415,765	-	1,741,067
-	-	927,964
<u>1,415,765</u>	<u>-</u>	<u>13,161,513</u>
<u>\$ 1,415,765</u>	<u>\$ 51,556</u>	<u>\$ 21,182,083</u>

**DORCHESTER COUNTY, MARYLAND**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2003**

Total fund balances, governmental funds	\$ 13,161,513
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Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets.	30,117,406
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Certain revenues that do not provide current financial resources are reported as deferred income in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Assets.	1,924,189
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Some liabilities are not due and payable in the current period and therefore are  
not reported in the fund financial statements, but are reported in the governmental  
activities of the Statement of Net Assets. Those liabilities consist of:

Bonds, notes and capital leases payable	(25,684,076)
Pension liability	(540,692)
Compensated absences	(862,026)
	<hr/>
Total long-term liabilities	(27,086,794)

Net assets of governmental activities in the Statement of Net Assets	<u>\$ 18,116,314</u>
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# DORCHESTER COUNTY, MARYLAND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Year Ended June 30, 2003

	General Fund	Special Revenue	Capital Projects
<b>REVENUES:</b>			
Taxes	\$ 26,771,695	\$ -	\$ -
Licenses and permits	303,276	-	-
Intergovernmental	6,283,616	-	-
Service charges and fees	2,428,165	-	-
Court fines and forfeitures	80,996	-	-
Federal grants	-	543,025	-
State grants	-	3,958,771	-
Miscellaneous	601,425	12,151	-
Interest	140,106	13,273	130,019
<b>Total revenues</b>	<b>36,609,279</b>	<b>4,527,220</b>	<b>130,019</b>
<b>EXPENDITURES:</b>			
Current:			
General government	2,219,650	25,298	-
Public safety	6,531,061	354,908	-
Social services	261,978	288,089	-
Recreation and parks	521,606	488,918	-
Natural resources	222,554	326,647	-
Economic development	315,009	18,000	-
Intergovernmental	963,136	1,975,796	-
Miscellaneous	1,889,673	58,400	-
Education	16,540,003	-	-
Public works	3,624,729	469,371	-
Non-current:			
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital projects	-	-	22,662
Fixed asset acquisitions	-	-	1,474,729
<b>Total expenditures</b>	<b>33,089,399</b>	<b>4,005,427</b>	<b>1,497,391</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,519,880</b>	<b>521,793</b>	<b>(1,367,372)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Note proceeds	-	-	57,334
Increase in pension liability (See Note 10)	-	-	-
Operating transfers, net	(4,116,902)	96,106	848,053
<b>Total other financing sources (uses)</b>	<b>(4,116,902)</b>	<b>96,106</b>	<b>905,387</b>
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b>(597,022)</b>	<b>617,899</b>	<b>(461,985)</b>
<b>Fund balances, beginning of year (as restated)</b>	<b>5,174,653</b>	<b>(263,416)</b>	<b>7,028,642</b>
<b>Fund balances, end of year</b>	<b>\$ 4,577,631</b>	<b>\$ 354,483</b>	<b>\$ 6,566,657</b>

*The Notes to Financial Statements are an integral part of this statement.*

Debt Service	Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 26,771,695
-	-	-	303,276
-	-	-	6,283,616
-	-	-	2,428,165
-	-	-	80,996
-	-	-	543,025
-	-	-	3,958,771
57,858	-	120,223	791,657
-	39,478	-	322,876
<u>57,858</u>	<u>39,478</u>	<u>120,223</u>	<u>41,484,077</u>
-	-	-	2,244,948
-	-	50,536	6,936,505
-	-	-	550,067
-	-	-	1,010,524
-	-	-	549,201
-	-	96,334	429,343
-	-	-	2,938,932
-	-	57,088	2,005,161
-	-	-	16,540,003
-	-	-	4,094,100
2,073,228	-	-	2,073,228
1,279,622	-	-	1,279,622
-	-	-	22,662
-	-	-	1,474,729
<u>3,352,850</u>	<u>-</u>	<u>203,958</u>	<u>42,149,025</u>
<u>(3,294,992)</u>	<u>39,478</u>	<u>(83,735)</u>	<u>(664,948)</u>
-	-	-	57,334
16,420	-	-	16,420
<u>3,278,572</u>	<u>(416,721)</u>	<u>83,735</u>	<u>(227,157)</u>
<u>3,294,992</u>	<u>(416,721)</u>	<u>83,735</u>	<u>(153,403)</u>
-	(377,243)	-	(818,351)
<u>246,977</u>	<u>1,793,008</u>	<u>-</u>	<u>13,979,864</u>
<u>\$ 246,977</u>	<u>\$ 1,415,765</u>	<u>\$ -</u>	<u>\$ 13,161,513</u>

**DORCHESTER COUNTY, MARYLAND**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2003**

Net change in fund balances, governmental funds	\$ (818,351)
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Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital outlay	1,497,391	
Depreciation expense	(1,457,945)	
Excess of capital outlay over depreciation expense		39,446

Loan proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Assets. In the current period, loans of this amount were issued.	(57,334)
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Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues decreased by this amount this year.	(1,361,371)
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Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.	2,073,228
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(225,368)	

Change in net assets of governmental activities	\$ (349,750)
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# DORCHESTER COUNTY, MARYLAND

## STATEMENT OF FUND NET ASSETS

### PROPRIETARY FUNDS

**June 30, 2003**

	Business-Type Activities		
	Landfill	Airport	Total
<b>ASSETS</b>			
Current Assets			
Cash	\$ 4,147,634	\$ 325	\$ 4,147,959
Receivables:			
Accounts, net	270,493	14,651	285,144
Due from Federal	253	460,169	460,422
State of Maryland	-	187,149	187,149
Interfund	551,791	-	551,791
Inventories	-	18,711	18,711
Prepaid expenses	-	25,017	25,017
Total current assets	4,970,171	706,022	5,676,193
Noncurrent assets			
Construction in progress	1,915,567	2,963,314	4,878,881
Capital assets at cost	5,196,143	6,803,570	11,999,713
Less accumulated depreciation	(3,892,302)	(1,504,250)	(5,396,552)
Total noncurrent assets	3,219,408	8,262,634	11,482,042
Total assets	8,189,579	8,968,656	17,158,235
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued expenses	4,535	495,459	499,994
Accrued vacation	10,588	1,458	12,046
Deferred revenue	-	2,360	2,360
Interfund payables	333,141	1,133,636	1,466,777
Current maturities long-term debt	117,537	27,125	144,662
Total current liabilities	465,801	1,660,038	2,125,839
Noncurrent liabilities			
Accrued vacation	8,138	8,989	17,127
Landfill - closure and postclosure	6,023,892	-	6,023,892
Long-term debt, less current maturities	210,561	-	210,561
Total noncurrent liabilities	6,242,591	8,989	6,251,580
Total liabilities	6,708,392	1,669,027	8,377,419
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,891,310	8,235,509	11,126,819
Unrestricted (deficit)	(1,410,123)	(935,880)	(2,346,003)
Total net assets	\$ 1,481,187	\$ 7,299,629	\$ 8,780,816

*The Notes to Financial Statements are an integral part of this statement.*

**DORCHESTER COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2003**

	Business-Type Activities		
	Landfill	Airport	Totals
<b>OPERATING REVENUES:</b>			
Tipping fees	\$ 1,809,734	\$ -	\$ 1,809,734
Permits	75,020	-	75,020
Fuel sales	-	227,011	227,011
Hangar and tie-down rentals	-	116,238	116,238
Other	6,995	2,479	9,474
<b>Total operating revenues</b>	<b>1,891,749</b>	<b>345,728</b>	<b>2,237,477</b>
<b>OPERATING EXPENSES:</b>			
Salaries and related taxes	488,046	128,688	616,734
Repairs and maintenance	92,247	13,762	106,009
Rental of land, buildings and equipment	50,935	13,200	64,135
Fuel	38,469	148,170	186,639
Closure and postclosure costs accrual	416,685	-	416,685
Utilities	8,125	11,136	19,261
Depreciation	487,830	210,630	698,460
Other operating	6,085	35,985	42,070
<b>Total operating expenses</b>	<b>1,588,422</b>	<b>561,571</b>	<b>2,149,993</b>
<b>Net operating income (loss)</b>	<b>303,327</b>	<b>(215,843)</b>	<b>87,484</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Grants - Federal government	-	1,081,595	1,081,595
Grants - state government	-	909,695	909,695
Interest income	83,115	-	83,115
Interest expense	(19,765)	(1,985)	(21,750)
<b>Total non-operating revenues</b>	<b>63,350</b>	<b>1,989,305</b>	<b>2,052,655</b>
Income before transfers	366,677	1,773,462	2,140,139
Operating transfers	-	227,157	227,157
Change in net assets	366,677	2,000,619	2,367,296
Net assets beginning of year	1,114,510	5,299,010	6,413,520
Net assets end of year	\$ 1,481,187	\$ 7,299,629	\$ 8,780,816

*The Notes to Financial Statements are an integral part of this statement.*



**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**Year Ended June 30, 2003**

	<u>Landfill</u>	<u>Airport</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 1,827,963	\$ 345,875	\$ 2,173,838
Other receipts	325,076	2,479	327,555
Payments to employees	(492,856)	(128,260)	(621,116)
Payments for services	(8,125)	(49,914)	(58,039)
Payments for rentals	(50,935)	(13,200)	(64,135)
Payments for materials and supplies	(165,046)	(148,169)	(313,215)
Other payments	(6,085)	(15,706)	(21,791)
Net cash provided (used) by operating activities	<u>1,429,992</u>	<u>(6,895)</u>	<u>1,423,097</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers from General Fund	-	227,157	227,157
Net cash provided by non-capital financing activities	<u>-</u>	<u>227,157</u>	<u>227,157</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Grant and bond receipts	500	1,991,291	1,991,791
Repayment of long-term debt	(112,479)	(35,862)	(148,341)
Interest paid	(19,765)	(1,985)	(21,750)
Net cash provided (used) by financing activities	<u>(131,744)</u>	<u>1,953,444</u>	<u>(170,091)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(1,841,117)	(2,173,706)	(4,014,823)
Interest income received	83,115	-	83,115
Net cash used in investing activities	<u>(1,758,002)</u>	<u>(2,173,706)</u>	<u>(3,931,708)</u>
<b>Net decrease in cash and short-term investments</b>	<b>(459,754)</b>	<b>-</b>	<b>(459,754)</b>
<b>Cash and short-term investments, beginning of year</b>	<b>4,607,388</b>	<b>325</b>	<b>4,607,713</b>
<b>Cash and short-term investments, end of year</b>	<b>\$ 4,147,634</b>	<b>\$ 325</b>	<b>\$ 4,147,959</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 303,327	\$ (215,843)	\$ 87,484
Adjustments:			
Depreciation	487,830	210,630	698,460
Landfill closure and postclosure cost accrual	384,750	-	384,750
(Increase) decrease in assets:			
Accounts receivable	(55,511)	7,749	(47,762)
Prepaid expenses	-	(25,017)	(25,017)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	314,406	15,158	329,564
Accrued vacation	(4,810)	428	(4,382)
Total adjustments	<u>1,126,665</u>	<u>208,948</u>	<u>1,335,613</u>
Net cash provided (used) by operating activities	<u>\$ 1,429,992</u>	<u>\$ (6,895)</u>	<u>\$ 1,423,097</u>

**Noncash investing, capital and financing activities:**

Construction in progress relating to the airport in the amount of \$972,023 was financed by the general fund.

*The Notes to Financial Statements are an integral part of this statement.*

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Reporting Entity.**

Dorchester County ("the County") is a political subdivision of the State of Maryland established in 1669 and subsequently incorporated under Article 25 of the Annotated Code of the State of Maryland and is governed by an elected five-member Board of County Commissioners. The County government directly provides all basic local governmental services.

#### **Financial Reporting Entity**

For financial reporting purposes, based on the standards established by GASB Statement No. 14, *The Financial Reporting Entity*, the County includes the various departments, agencies, and other organizational units governed directly by the County Commissioners of Dorchester County, Maryland as the Primary Government. The component units are included in the reporting entity because the Primary Government approves budgetary requests, provides a significant amount of funding, appoints members of the boards of the various organizations, or guarantees repayment of debt issued by the various organizations.

The component units column in the combined financial statements includes the financial data of the Board of Education of Dorchester County and the Dorchester County Sanitary Districts as the County's discretely presented component units, which have a fiscal year-end of June 30. Copies of the financial statements for the component units can be obtained from the County Commissioners office in Cambridge, Dorchester County, Maryland.

### **Note 2. Summary of Significant Accounting Policies.**

The financial statements of the County are prepared in conformity with generally accepted accounting principles (GAAP) as applied to local government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected not to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities.

In June 1999, the GASB issued Statement 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The statement established new financial and reporting requirements for state and local governments throughout the United States. This statement requires new information and restructures much of the information that governments have presented in the past. The County was required to implement this standard for the fiscal year ending June 30, 2003. With the implementation of this standard in fiscal year 2003, the County has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

#### **A. Basis of Presentation**

The County's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

#### **Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a

## NOTES TO FINANCIAL STATEMENTS

### **Note 2. Summary of Significant Accounting Policies (continued).**

#### **A. Basis of Presentation (continued)**

particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

#### **Fund Financial Statements**

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information to the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

#### **B. Fund Accounting**

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary. The County does not maintain any fiduciary funds.

#### **Governmental Fund Types**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - The General Fund is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Dorchester County Reserve Fund, the Special Revenue Grants Fund, which includes Local Management Board (LMB) grant activity, the Commissary Fund, and the Tourism Marketing Fund are the only special revenue funds of the County.

Capital Projects Funds - The Capital Fund (current year capital activity) and the Capital Projects Fund are used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, including capital lease obligations, principal, interest, and related costs.

#### **Proprietary Fund Types**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The County's enterprise funds may be used to account for any business-type activities for which a fee is charged to external users for goods or services. The following are the County's major enterprise funds:

Sanitary Landfill Fund - The Sanitary Landfill fund is used to account for the fees collected at the County landfills for the dumping of waste.

Airport Fund - The Airport fund is used to account for the financial resources to be used for the operation or construction of airport facilities.

## NOTES TO FINANCIAL STATEMENTS

### **Note 2. Summary of Significant Accounting Policies (continued).**

#### **C. Measurement Focus**

##### **Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets.

##### **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

#### **D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues-Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available is defined as collected within sixty days of the fiscal year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes, interest, grants, fees and rentals.

Deferred revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Summary of Significant Accounting Policies (continued).

#### D. Basis of Accounting (continued)

Property taxes for which there was an enforceable legal claim at June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### E. Budgets and Budgetary Accounting

All funds, other than agency funds, are legally required to be budgeted and appropriated. The budget is prepared on the budgetary basis of accounting. The budget establishes a limit on the amounts that the County may appropriate and sets annual limits as to the amounts of expenditures at a level of control selected by the County. The legal level of control has been established by the County at the category level within each fund.

The budget may be amended during the year if projected increases or decreases in revenue are identified. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original budget was adopted. The amounts reported in the final budgeted amounts reflect amendments approved by the County during the year.

#### F. Inventory

On government-wide financial statements and the fund financial statements of proprietary funds, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

#### G. Capital Assets

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. For fiscal year 2003, the County increased its capitalization threshold from five hundred dollars to five thousand dollars (see Note 3 for the effect of this change). The County's infrastructure consists of roads, bridges, ramps, and wharves. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	8 – 40 years	5 – 40 years
Furniture and Equipment	5 – 10 years	3 - 15 years
Vehicles	8 years	N/A
Infrastructure	40 – 50 years	15 – 23 years

## NOTES TO FINANCIAL STATEMENTS

### **Note 2. Summary of Significant Accounting Policies (continued).**

#### **H. Interfund Receivables and Payables**

On the fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets. The only interfund balances which remain on the government-wide statement of net assets are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

#### **I. Compensated Absences**

##### **Vacation and Sick Leave**

Vacation benefits are earned by employees of the reporting entity based on time in service, and the rights to such benefits are vested. Sick leave is also accumulated by employees based on time in service. However, accumulated sick leave benefits do not vest and are not paid unless sickness causes employees to be absent.

Upon retirement, employees of the Board of Education of Dorchester County receive severance pay for unused sick leave accumulated for service while employed. This estimated liability is computed on the accumulated sick leave of employees who have 20 years of service with the Board of Education of Dorchester County at the rate of \$20 per day. In addition, the accrued leave account includes vacation days earned by certain employees but not used by June 30, 2003.

#### **J. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

#### **K. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by grantors, creditors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **L. Fund Balance Reserves**

The County reserves those portions of governmental fund balances that are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Summary of Significant Accounting Policies (continued)

#### M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for sanitary landfill, airport fuel sales and airport rental fees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

#### N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flow of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/ uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/ expenses to the funds that initially paid for them are not presented on the financial statements.

#### O. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Note 3. Change in Accounting Principle and Restatement of Fund Balance

#### A. Change in Accounting Principle

In fiscal year 2003, the County implemented GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the County's financial activities. The financial statements include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are aggregated and presented in a single column.

The government-wide financial statements split the County's programs between governmental activities and business-type activities. The beginning net asset amounts for governmental programs reflects the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the accrual basis of accounting.

#### B. Restatement of Fund Balance

The restatement due to the implementation of the above statement and new capitalization policy had the following effects on the fund balances for government activities:

	Activities
General fund	\$ 5,025,300
Special revenue grant fund	1,529,592
Capital projects fund	7,028,642
Debt service fund	246,977
Net assets, June 30, 2002	13,830,511
Adjustments:	
Capitalization policy change	(1,467,798)
GASB 34 capital assets, less debt	5,099,596
GASB 34 compensated absences	(883,592)
GASB 34 deferred revenues	1,887,347
Net assets, June 30, 2002, as restated	\$ 18,466,064

## NOTES TO FINANCIAL STATEMENTS

### **Note 4. Cash and Short-Term Investments.**

The County is authorized to invest unexpended revenues from taxation, bond sales, lawful distributions to it of funds from other governmental agencies, or any other funds properly received by it, until it determines the funds are needed for proper public purpose. The County can invest such funds in Federally insured banking institutions which pledge United States Treasury bills, notes, or other obligations to secure such deposits, or in U.S. Treasury and agency obligations, repurchase agreements, collateralized certificates of deposit, bankers acceptances, or money market mutual funds.

#### Primary Government

At June 30, 2003, the Primary Government had bank deposits with various commercial banks totaling \$17,873,987 (carrying value \$16,611,973). As required by law, each depository is to pledge securities in addition to FDIC insurance at least equal to that amount on deposit at all times. Deposits in all institutions were fully insured or collateralized with securities in the name of the County.

#### Board of Education of Dorchester County

At June 30, 2003, the Board of Education of Dorchester County had bank deposits with various commercial banks totaling \$1,660,740 (carrying value \$1,327,734). As required by law, each depository is to pledge securities in addition to FDIC insurance at least equal to that amount on deposit at all times. The depository banks pledge collateral for specific accounts, which are held in the Board's name at the Federal Reserve Bank of Boston. As of June 30, 2003, bank deposits were not fully insured or collateralized by approximately \$90,000 in one local financial institution. Investments of \$4,701,902 consist solely of U.S. Government Securities made through the State of Maryland Local Government Investment Pool. Investments are recorded at cost, which approximates market value. Statutes authorize the Board to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal securities and repurchase agreements.

#### Dorchester County Sanitary Districts

At June 30, 2003, the Dorchester County Sanitary Districts had bank deposits with various commercial banks totaling \$899,031 (carrying value \$898,010), which were either fully insured or collateralized with securities held in the name of the Dorchester County Sanitary Districts.

### **Note 5. Capital Assets.**

Due to the implementation of GASB Statement No. 34 and increased capitalization threshold, the capital asset balances of the governmental activities as of June 30, 2002 have been restated. The following is a summary of those changes:

	Balances June 30, 2002	Transfers/ Adjustments	Balances June 30, 2002, restated
Land	\$ 4,999,700	\$ (112,625)	\$ 4,887,075
Buildings and improvements	20,752,667	(141,848)	20,610,819
Furniture and equipment	5,699,517	(1,167,688)	4,531,829
Vehicles	3,066,617	(45,637)	3,020,980
Leasehold improvements	126,572	-	126,572
Infrastructure assets	-	35,275,266	35,275,266
Construction in progress	41,627	-	41,627
	<u>34,686,700</u>	<u>33,807,468</u>	<u>68,494,168</u>
Less: accumulated depreciation	-	(37,163,238)	(37,163,238)
Total general fixed assets	<u>\$ 34,686,700</u>	<u>\$ (3,355,770)</u>	<u>\$ 31,330,930</u>



# NOTES TO FINANCIAL STATEMENTS

## Note 5. Capital Assets (continued).

Capital asset activity for the year ended June 30, 2003, was as follows:

	Balances June 30, 2002, as restated	Additions	Deletions	Balances June 30, 2003
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 4,887,075	\$ -	\$ (35,268)	\$ 4,851,807
Construction in progress	41,627	-	(41,627)	-
Total capital assets, not being depreciated	4,928,702	-	(76,895)	4,851,807
<b>Capital assets, being depreciated</b>				
Buildings and improvements	20,610,819	41,627	(12,476)	20,639,970
Furniture and equipment	4,531,829	367,799	(195,971)	4,703,657
Vehicles	3,020,980	120,337	-	3,141,317
Leasehold improvements	126,572	-	-	126,572
Infrastructure assets	35,275,266	-	-	35,275,266
Total capital assets, being depreciated	63,565,466	529,763	(208,447)	63,886,782
Less: accumulated depreciation	(37,163,238)	(1,457,945)	-	(38,621,183)
Net capital assets, being depreciated	26,402,228	(928,182)	(208,447)	25,265,599
Governmental activities capital assets, net	\$ 31,330,930	\$ (928,182)	\$ (285,342)	\$ 30,117,406
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>Dorchester County Landfill</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 636,137	\$ -	\$ -	\$ 636,137
Construction in progress - cell 3	322,070	1,593,497	-	1,915,567
Total capital assets, not being depreciated	958,207	1,593,497	-	2,551,704
<b>Capital assets, being depreciated</b>				
Buildings and improvements	82,089	-	-	82,089
Machinery and equipment	1,453,591	247,619	-	1,701,210
Beulah landfill- Cells 1,2&3	2,776,707	-	-	2,776,707
Total capital assets, being depreciated	4,312,387	247,619	-	4,560,006
Less: accumulated depreciation	(3,404,471)	(487,831)	-	(3,892,302)
Net capital assets, being depreciated	907,916	(240,212)	-	667,704
Landfill capital assets, net	\$ 1,866,123	\$ 1,353,285	\$ -	\$ 3,219,408
<b>Dorchester County Airport</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ -	\$ 2,963,314	\$ -	\$ 2,963,314
Total capital assets, not being depreciated	-	2,963,314	-	2,963,314
<b>Capital assets, being depreciated</b>				
Buildings and improvements	6,549,413	-	-	6,549,413
Machinery and equipment	242,486	11,671	-	254,157
Total capital assets, being depreciated	6,791,899	11,671	-	6,803,570
Less: accumulated depreciation	(1,293,625)	(210,625)	-	(1,504,250)
Net capital assets, being depreciated	5,498,274	(198,954)	-	5,299,320
Airport capital assets, net	\$ 5,498,274	\$ 2,764,360	\$ -	\$ 8,262,634
Business-type activities capital assets, net	\$ 7,364,397	\$ 4,117,645	\$ -	\$ 11,482,042

# NOTES TO FINANCIAL STATEMENTS

## Note 5. Capital Assets (continued).

Depreciation expense was charged to governmental functions as follows:

General government	\$ 139,223
Public Safety	563,591
Recreation and parks	37,831
Natural resources	586
Economic development	13,558
Miscellaneous	4,615
Education	1,098
Public works	697,443
	<u>\$ 1,457,945</u>

Capital asset activity for the component units for the year ended June 30, 2003 was as follows:

	Balances June 30, 2002	Additions	Deletions	Balances June 30, 2003
<b>Board of Education of Dorchester County</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 762,552	\$ 7,684,780	\$ -	\$ 8,447,332
Total capital assets, not being depreciated	<u>762,552</u>	<u>7,684,780</u>	<u>-</u>	<u>8,447,332</u>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	58,442,674	51,170	-	58,493,844
Equipment	1,220,965	31,160	-	1,252,125
Vehicles	529,917	60,947	-	590,864
Total capital assets, being depreciated	<u>60,193,556</u>	<u>143,277</u>	<u>-</u>	<u>60,336,833</u>
Less: accumulated depreciation	<u>(25,331,446)</u>	<u>(1,302,885)</u>	<u>-</u>	<u>(26,634,331)</u>
Net capital assets, being depreciated	<u>34,862,110</u>	<u>(1,159,608)</u>	<u>-</u>	<u>33,702,502</u>
Board of Education capital assets, net	<u>\$ 35,624,662</u>	<u>\$ 6,525,172</u>	<u>\$ -</u>	<u>\$ 42,149,834</u>
<b>Dorchester County Sanitary Districts</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 13,645	\$ -	\$ -	\$ 13,645
Construction in progress	-	3,375	-	3,375
Total capital assets, not being depreciated	<u>13,645</u>	<u>3,375</u>	<u>-</u>	<u>17,020</u>
<b>Capital assets, being depreciated</b>				
Plant and equipment	6,845,804	-	-	6,845,804
Total capital assets, being depreciated	<u>6,845,804</u>	<u>-</u>	<u>-</u>	<u>6,845,804</u>
Less: accumulated depreciation	<u>(2,352,328)</u>	<u>(171,479)</u>	<u>-</u>	<u>(2,523,807)</u>
Net capital assets, being depreciated	<u>4,493,476</u>	<u>(171,479)</u>	<u>-</u>	<u>4,321,997</u>
Sanitary Districts capital assets, net	<u>\$ 4,507,121</u>	<u>\$ (168,104)</u>	<u>\$ -</u>	<u>\$ 4,339,017</u>
Total component units capital assets, net	<u>\$ 40,131,783</u>	<u>\$ 6,357,068</u>	<u>\$ -</u>	<u>\$ 46,488,851</u>

## NOTES TO FINANCIAL STATEMENTS

### **Note 6. Long-Term Debt.**

The following is a summary of long-term debt transactions of the Primary Government for the year ended June 30, 2003:

	Governmental Activities	Business-Type Activities
Amounts payable at June 30, 2002	\$ 28,860,900	\$ 501,661
Proceeds from notes payable	57,334	1,900
Increase in pension liability (See also Note 10)	16,420	-
Increase in vested vacation benefits and compensatory time	225,368	-
Repayment of capital lease obligations	(224,586)	(84,755)
Repayment of long-term debt	(1,848,642)	(63,583)
Amounts payable at June 30, 2003	<u>\$ 27,086,794</u>	<u>\$ 355,223</u>

Long-term debt consists of the following as of June 30, 2003:

#### Dorchester County Long-Term Debt

##### Public Facilities Bonds:

1991 CDA Infrastructure Financing Bonds, Series A, due in annual principal installments from \$45,000 to \$100,000 through May 1, 2006; interest, payable semi-annually, from 4.965% to 7.090%	\$ 291,074
1995 Public Facilities Bonds due in annual principal installments of \$185,000 to \$535,000 through February 1, 2015; interest, payable semi-annually, from 4.7% to 6.1%	4,720,000
1996 Public Facilities Bonds due in annual principal installments of \$190,000 to \$1,065,000 through November 1, 2010; interest, payable semi-annually, from 4.7% to 6.1%	5,495,000
Public School Capital Improvement Bonds of 2000 due in annual principal installments of \$145,000 to \$300,000 through March 1, 2015; interest, payable semi-annually, from 4.5% to 5.2%	2,745,000
Public School Capital Improvement bonds for 2002 due in annual principal installments of \$320,000 to \$650,000 through August 1, 2017; interest, payable semi-annually, from 3.5% to 4.5%	<u>7,000,000</u>
Total bonds payable	<u>20,251,074</u>

## NOTES TO FINANCIAL STATEMENTS

### **Note 6. Long-Term Debt (continued).**

#### State of Maryland Department of Natural Resources Loans:

SEC 3-92 - Hoopersville Road Boat Ramp; due in annual installments of \$4,780 through July 2019; no interest	\$ 76,472
SEC 9-92 - Hoopersville Road at Middle Hoopers Island; due in annual installments of \$2,718 through July 2020; no interest	46,209
SEC 8-92 - McCready's Point Road; due in annual installments of \$1,683 through July 2019; no interest	28,617
SEC 7-92 - Middle Hoopers Island Causeway; due in annual installments of \$5,516 through July 2020; no interest	99,288
SEC 3-95 - Punch Island Road; due in annual installments of \$3,519 through July 2011; no interest	31,667
SEC 2-96 - Rooster Island; due in annual installments of \$8,206 to July 2012; no interest	82,065
SEC 04-02 - Hoopers Island Road; due in annual installments of \$6,032 through July 2027; no interest	<u>148,252</u>
Total DNR loans payable	<u>512,570</u>

#### Maryland Industrial Land Act Loans (MILA):

Maryland Industrial Land Act loan due in quarterly installments of \$15,886, including interest at 6.32%, through March 2016, secured by 5.6 acres of land and improvements located in the Chesapeake Industrial Park in Cambridge, Maryland (known as the Regina Building Phase I)	534,123
Maryland Industrial Land Act loan due in annual installments of \$45,625, including interest at 6.81%, through April 2015, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Shell Building)	366,134
Maryland Industrial Land Act loan due in quarterly installments of \$11,861, including interest at 6.81%, through October 2015, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Jail Site)	384,317
Maryland Industrial Land Act loan due in quarterly installments of \$7,511, including interest at 5.6%, through August 2004, with a final balloon payment of \$282,084, secured by 5.2 acres of land (known as Lot 4) and improvements thereon (known as the Regina Building Phase II)	292,394
Maryland Industrial Land Act loan due in quarterly installments of \$21,177, including interest at 4.64%, through April 2012. A final balloon payment of \$397,242 is due at maturity (known as the Connelly Building)	<u>812,339</u>
Total MILA loans payable	<u>2,389,307</u>

## NOTES TO FINANCIAL STATEMENTS

### **Note 6. Long-Term Debt (continued).**

#### Notes Payable:

County Commissioners of Queen Anne's County loan due in annual principal installments of \$20,000 to \$50,000 through January 2020; interest payable annually at 5.173% to 5.25% (known as the Learning Resource Center)	\$ 555,000
County Commissioners of Queen Anne's County loan due in annual principal installments of \$5,500 to \$18,700 through November 2013; interest payable semi-annually at 5.91% (known as the Chesapeake College Economic Development Center)	152,900
Note due in quarterly principal installments of \$24,313, plus interest at 5.33% through 2014 (known as the Delmarva Power and Light Building)	819,125
Suntrust Bank loan for camera system in Detention Center due in quarterly principal installments of \$16,367, plus interest at 4.05%, through 2006	192,270
Note due in quarterly installments of \$16,639 to \$27,525, including interest at 8.5%, through April 2008, secured by 22.0 acres of land (known as the new Eastern Shore State Hospital Center)	261,611
Total notes payable	<u>1,980,906</u>

#### Revenue Bonds

County Transportation Revenue Bonds, Series 1993; due in annual principal installments of \$36,586 to \$151,356, plus interest, through 2006	<u>175,421</u>
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#### Capital Lease Obligations:

Associates Commercial Corporation capital lease agreement on pavement roller, due in monthly installments of \$898, including interest at 5.5%, through January 2004	7,037
Kansas State Bank capital lease agreement on the hydraulic excavator, due in semi-annual installments of \$18,593, including interest at 3.4%, through August 2005	85,799
Suntrust Leasing Corporation capital lease agreement on 911 dispatch equipment, due in annual installments of \$79,274, including interest of 3.58% through December 2006	281,962
Total capital leases payable	<u>374,798</u>
Total debt outstanding	25,684,076
Pension liability (See also Note 10)	540,692
Total debt and pension liability outstanding	<u>26,224,768</u>
Accrued vacation	862,026
Total Long-Term Debt	<u>\$ 27,086,794</u>

## NOTES TO FINANCIAL STATEMENTS

### **Note 6. Long-Term Debt (continued).**

The annual debt service requirements for all Dorchester County long-term debt and pension liability through maturity are as follows:

Year Ending June 30	Principal	Interest	Totals
2004	\$ 2,248,423	\$ 1,257,254	\$ 3,505,677
2005	2,626,338	1,141,107	3,767,445
2006	2,420,309	1,026,010	3,446,319
2007	2,299,712	912,168	3,211,880
2008	2,331,850	798,534	3,130,384
2009 - 2013	8,072,425	2,734,333	10,806,758
2014 - 2018	5,301,640	849,784	6,151,424
2019 - 2023	167,125	291,992	459,117
2024 - 2028	146,594	261,620	408,214
2029 - 2034	297,489	185,014	482,503
2034 - 2036	312,863	65,651	378,514
Total	<u>\$ 26,224,768</u>	<u>\$ 9,523,467</u>	<u>\$ 35,748,235</u>

Interest expense on all County long-term debt totaled \$1,267,839 for the year ended June 30, 2003.

During 1996, the County defeased in-substance certain public facilities bonds by placing proceeds of new bonds (1996 public facilities bonds) in an irrevocable trust to provide for all future debt service payments on defeased bonds. Defeased debt of \$775,000 remains outstanding at June 30, 2003.

#### Enterprise Funds

1989 Solid Waste Facilities Loan Act. Total available \$82,900. Interest-free due within one year of project acceptance, with full payment within two years of commencement of the repayment process	\$ 39,853
Tri-axle roll-off truck note payable - installments payable quarterly through June 2006	86,880
Compactor capital lease payable - installments due yearly in December through 2004	184,465
Refuse and bid bonds payable	1,900
Golden Hill landfill land purchase - installments payable annually in July through 2005	<u>15,000</u>
Total Enterprise Funds long-term debt	<u>328,098</u>

#### Dorchester County Airport:

Note Payable, Suntrust Bank, due April 2004, with interest at 4.30%, payable quarterly	<u>27,125</u>
Total Enterprise Fund debt	<u>\$ 355,223</u>

## NOTES TO FINANCIAL STATEMENTS

### **Note 6. Long-Term Debt (continued).**

The following is a summary of long-term debt transactions of the component units for the year ended June 30, 2003:

	Dorchester County Sanitary Districts	Board of Education of Dorchester County	Total
Amounts payable at June 30, 2002	\$ 361,951	\$ 129,974	\$ 491,925
Principal retirements	(14,174)	(39,210)	(53,384)
Amounts payable at June 30, 2003	<u>\$ 347,777</u>	<u>\$ 90,764</u>	<u>\$ 438,541</u>

Long-term debt of the Dorchester County Sanitary Districts at June 30, 2003 consists of the following:

Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual installments of principal and interest amounting to \$9,389 through March 2020	\$ 93,782
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.67%. Annual installments of principal and interest amounting to \$4,376 through March 2020	47,309
Loan payable to the State of Maryland under the Water Quality Loan of 1983. Annual interest rate of 6.67%. Annual installments of principal and interest amounting to \$9,816 through September 2020	101,116
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 6.10%. Annual installments of principal and interest amounting to \$2,051 through October 2012	15,020
Loan payable to the State of Maryland under the Water Quality Loan of 1974. Annual interest rate of 8.18%. Annual installments of principal and interest amounting to \$6,898 through July 2014	51,484
Loan payable to the State of Maryland under the Drinking Water State Water Revolving Fund. Annual interest rate of 3.13%. Annual installments of principal and interest amounting to \$4,653 through February 2013	<u>39,066</u>
Total	347,777
Less: current maturities	<u>15,032</u>
	<u>\$ 332,745</u>

## NOTES TO FINANCIAL STATEMENTS

### **Note 6. Long-Term Debt (continued).**

The annual requirements to amortize all Dorchester County Sanitary Districts' debt outstanding as of June 30, 2003, including interest payments of \$218,298 are as follows:

<u>Year Ending June 30.</u>	
2004 - 2012	\$ 337,896
2013	37,036
2014	30,839
2015	30,784
2016 - 2020	119,700
2021	9,820
Total payments	<u>\$ 566,075</u>

General long-term obligations of the Board of Education of Dorchester County at June 30, 2003 consist of capital lease obligations totaling \$90,764.

### **Note 7. Interfund Receivables and Payables**

As a result of its operations, the County affects a variety of transactions between funds to finance operations, service debt, etc. Accordingly, to the extent that certain interfund transactions have not been paid or received as of June 30, 2003, appropriate due to/from other funds have been established.

Due to/from other funds balances as of June 30, 2003 were as follows:

<u>Primary Government</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental activities	\$ 3,517,246	\$ 2,602,260
Business-Type activities	551,791	1,466,777
Total due to/from other funds	<u>\$ 4,069,037</u>	<u>\$ 4,069,037</u>

### **Note 8. Capital Leases.**

#### Primary Government

The County entered into a lease agreement during July 1997, for the purpose of acquiring recycling equipment. The County also entered into an agreement in January 1999, for the purpose of acquiring highway and street equipment and into an agreement in August 2000, for the purpose of acquiring a hydraulic excavator. The original cost of the equipment acquired under these capital lease agreements was \$118,000, \$47,000 and \$158,360, respectively. Since the leases are financing arrangements that transfer ownership at the end of the leases, the County has recorded the present value of the future minimum lease payments and the related assets in the appropriate funds.

Future minimum lease payments under these capital lease agreements are as follows:

<u>Year Ending June 30.</u>	
2004	\$ 123,465
2005	117,180
2006	98,227
2007	79,274
	<u>418,146</u>
Less amounts representing interest	<u>(43,348)</u>
Present value of net minimum lease payments	<u>\$ 374,798</u>



## NOTES TO FINANCIAL STATEMENTS

### Note 8. Capital Leases (continued).

#### Component Unit - Board of Education

The Board of Education of Dorchester County has entered into non-cancelable long-term lease agreements for the purpose of acquiring various equipment. Since these leases are financing arrangements, which transfer ownership at the end of the leases, the Board of Education of Dorchester County has recorded the present value of the future minimum lease payments and the related assets in the appropriate funds.

Future minimum lease payments under these capital leases are as follows:

<u>Year Ending June 30.</u>	
2004	\$ 34,221
2005	34,221
2006	<u>30,508</u>
	98,950
Less amounts representing interest	<u>(8,186)</u>
Present value of net minimum lease payments	<u>\$ 90,764</u>

Interest expense on the Board of Education of Dorchester County's capital leases was \$6,748 for the year ended June 30, 2003.

### Note 9. Long-Term Operating Lease.

In July 1995, the County entered into a 10-year non-cancelable operating lease for its sanitary landfill site #2, commonly referred to as the "Golden Hill Landfill". Lease expense for 2003 was \$17,500.

The annual lease requirements for the above lease agreement are as follows:

<u>Year Ending June 30.</u>	
2004	\$ 17,500
2005	17,500
2006	<u>17,500</u>
	<u>\$ 52,500</u>

### Note 10. Pension Plans.

#### **Plan Description**

Generally, all regular employees of the reporting entity participate in the State of Maryland Employees Retirement and Pension Systems (Employees Systems). Teachers employed by the Board of Education of Dorchester County generally participate in the State of Maryland Teachers Retirement and Pensions Systems (Teachers Systems). Both the Employees Systems and the Teachers Systems (collectively the Systems) are agent multiple-employer public retirement systems sponsored by the Maryland State Retirement and Pension Systems and created by the Maryland General Assembly. The Maryland State Retirement Agency issues a publicly available financial report that includes financial statements and required supplementary information for the systems. That report may be obtained by writing to the Office of Legislative Audits, State Office Building, 301 West Preston Street, Baltimore, Maryland 21201.

Participants in the Systems may retire with full benefits after thirty years of service regardless of age or at various ages with specified years of eligible service for reduced benefits. Annual service retirement allowances are paid monthly to retired members in accordance with allowance options selected based on average final compensation. Participants terminating prior to specified retirement age and before completing five years of creditable service are refunded their accumulated contributions plus earned interest or defer receipt of accumulated contributions until age 60. Participants and their beneficiaries may also be eligible for disability and death benefits based on years of creditable service and average final compensation.

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Pension Plans (continued).

#### Funding Policy

Employees are required to contribute varying percentages of their annual salary to the Systems. The County is required to fund the remainder of the cost of its employees' participation in the Employees Systems. The remainder of the cost of teachers' participation in the Teachers Systems is funded by the State. The 2003 contribution of the County represented less than 1% of total contributions required of all participating entities by the Employees and Teachers Systems.

Total payroll covered under the systems and contributions (excluding on-behalf payments made by the State) for the years ended June 30, 2003, 2002, and 2001 are as follows:

	2003	2002	2001
Total payroll	\$ 34,181,373	\$ 33,118,500	\$ 32,014,263
Payroll covered under the Systems	29,709,787	29,287,692	28,538,803
Contributions	758,138	736,919	747,935

#### Annual Pension Cost

For the year ended June 30, 2003, the County's annual pension cost of \$353,592 was equal to its required and actual contributions. In addition, the State of Maryland made contributions on behalf of the Board of Education in the amount of \$2,033,924. This required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return, compounded annually, (b) projected salary increases of 5% compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.94% to 6.82% per year attributable to seniority and merit, (d) post retirement benefit increases ranging from 3% to 6% per year depending on the system, (e) rates of mortality, termination of service, disablement and retirement based on actual experience from 1981 through 1996 and (f) the aggregate active member payroll is assumed to increase by 5% annually. The actuarial value of the Systems' asset was determined using techniques that smooth the effects of short-term volatility in the market value of investments by using a simplified five-year moving average. The Systems' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period, at June 30, 2003, was 16 years.

The County's annual pension cost for the last three years for which actuarial information is available was:

Fiscal year ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
June 30, 2003	\$ 353,592	100%	-
June 30, 2002	308,212	100%	-
June 30, 2001	340,023	100%	-

Required Supplementary Information – Schedule of Funding Progress for the State Retirement and Pension Systems of Maryland (expressed in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
June 30, 2001	\$ 31,914,778	\$ 32,469,942	\$ 555,164	98.29%	\$ 7,255,036	7.65%
June 30, 2002	32,323,263	34,131,284	1,808,021	94.70%	7,937,530	22.78%
June 30, 2003	32,631,465	34,974,601	2,343,136	93.30%	8,134,419	28.81%

The State of Maryland plans do not provide the above information for each employer. This information is for the Systems as a whole.

## NOTES TO FINANCIAL STATEMENTS

### **Note 10. Pension Plans (continued).**

#### **Funding Status**

As a result of a 1997 actuarial study of the State Retirement and Pension System of Maryland, the County Commissioners of Dorchester County, Maryland (Highway Department) were identified as one of 23 municipal corporations not having enough assets in the system to fund the present value of accrued benefits for participants in the retirement system. Under rules of House Bills 1348 and 430, the County will repay the \$540,692 (an increase of \$16,420 over the prior fiscal year) fund deficit over a period of 40 years. The fiscal year 2003 annual payment was \$24,558 and will increase 5% per year for the remaining 33 years. This liability has been recorded in the governmental activities column on the Statement of Net Assets.

### **Note 11. Post-Employment Health Care Benefits.**

The County and the Dorchester County Sanitary Districts provide the same post-employment health care benefits to their respective retired employees. Retired employees who complete 16 years of service will receive full health care benefits (including spouse) of which the employer pays 85%. Employees with less than 16 years of service will pay on a pro-rata basis.

The Board of Education of Dorchester County provides post-employment health care benefits to retired employees with 15 years of service. The amount contributed varies based on age and the number of years of service.

The cost of post-employment health care benefits is recognized as an expenditure or an expense, as applicable, as the premiums are paid. Total premiums paid and participants as of and for the year ended June 30, 2003 are as follows:

	Premiums	Participants
Dorchester County	\$ 181,660	55
Dorchester County Sanitary Districts	2,756	1
Board of Education of Dorchester County	258,056	184

### **Note 12. Deferred Compensation.**

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all eligible County employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The County funds all amounts of compensation deferred under the Plans, at the direction of the covered employee, through investments underwritten by Variable Annuity Life Insurance Company (VALIC) and Public Employees Benefit Services Corporation (PEBSO). All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the deferred compensation plan participants and are not subject to the claims of the County's general creditors.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. In accordance with GASB Statement No. 32, adopted by the County in 1998, the plan's assets are not reported on the combined balance sheet of the County. A summary of the activity in the plan is presented in the supplementary information for the year ended June 30, 2003.

## NOTES TO FINANCIAL STATEMENTS

### **Note 13. Reserved and Designated Fund Equity and Restricted Retained Earnings.**

Reservations of fund equity show amounts that are not available for current appropriations or are legally restricted for specific uses. Within unreserved fund equity, designations are used to show the amounts within unreserved equity, which are intended to be used for specific purposes, but are not legally restricted. The purpose for each reservation or designation is indicated by the account title on the face of the balance sheet.

Use of per lot assessments totaling \$128,584 at June 30, 2003 by the Dorchester County Sanitary Districts is restricted to capital improvements, repairs and maintenance to the water system, and debt service.

### **Note 14. Landfill Closure and Postclosure Care Costs.**

State and Federal laws and regulations require the County to place a final cover on Dorchester County landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. It is the County's position that the State of Maryland will require continuous monitoring of all closed landfills with no termination period set for post-closure care, and as such will continue to accrue an estimate for these costs over a thirty year period.

The Secretary landfill stopped accepting waste in 1982. The landfill has been capped and only has postclosure care costs associated with it, currently estimated to be approximately \$13,400 each year for the next thirty years.

The Golden Hill landfill stopped accepting waste in 1991. The landfill began the final cover process during fiscal year 1996 and capping was completed in fiscal year 2000. Postclosure care costs for this location are currently estimated to be approximately \$17,400 each year for the next thirty years.

The Old Beulah landfill stopped accepting waste in February 1996. The landfill is expected to be covered during fiscal years 2003 and 2004 at an estimated total cost of \$3,340,264. The County is currently waiting final approval of its plan of closure from the Maryland Department of the Environment. Postclosure care costs for this location are currently estimated to be approximately \$19,000 each year for the next thirty years.

The closure and postclosure care costs associated with each of the aforementioned landfills are as follows:

<u>Secretary landfill</u>	
Postclosure care costs	<u>\$ 402,000</u>
<u>Golden Hill landfill</u>	
Closure costs (estimated landscaping and seeding)	25,000
Postclosure care costs	<u>522,000</u>
	<u>547,000</u>
<u>Old Beulah landfill</u>	
Closure costs	3,340,264
Postclosure care costs	<u>570,000</u>
	<u>3,910,264</u>
<u>New Beulah landfill - cells 1 - 3</u>	
Closure costs	996,183
Postclosure care costs	<u>168,445</u>
	<u>1,164,628</u>
Total closure and postclosure care costs	<u>\$ 6,023,892</u>

The above amounts are based on the current costs to perform all closure and postclosure care as of June 30, 2003. As noted above, the County expects to cap the Old Beulah landfill over the next two fiscal years. However, actual costs may ultimately be higher than estimated costs due to inflation, changes in technology, or changes in regulations.

## NOTES TO FINANCIAL STATEMENTS

### **Note 14. Landfill Closure and Postclosure Care Costs (continued).**

Though there are currently no legal restrictions on available funds, the County has approximately \$4,148,000 of currently available assets for landfill closure and postclosure care costs. The shortfalls may need to be covered by any combination of charges to future landfill users, future tax revenues, or additional borrowings.

The New Beulah landfill will consist of six cells. Cells 1 & 2 began accepting waste in November 1995 and were completely filled in 2003. Accruals of closure and postclosure care costs have been recognized. Total closure and postclosure care costs for Cells 1 & 2 are estimated to be \$900,000 and \$155,000, respectively.

New Beulah landfill cell 3 was completed and began accepting waste in October 2002. Accrual of closure and postclosure care costs have been recognized based on the estimated capacity used to date (13.25%). Total closure and postclosure care costs for Cell 3 are estimated to be \$750,000 and \$77,500, respectively.

### **Note 15. Commitments and Contingencies.**

#### **Dorchester County**

##### Grants

The County receives Federal and State grants for specific purposes that are subject to review and audit by Federal and state agencies. Such audits could result in a request for reimbursement by the Federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant to the County's combined financial statements.

##### Conduit Debt

In August 1999, the County issued Economic Development Revenue Bonds in the amount of \$5,000,000 to fund plant expansions at Hi-Tech Plastics in Cambridge, Maryland. While the bonds were issued through the County, there is no liability or responsibility on behalf of the County for repayment of the debt.

##### Risk Management

The County's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For general, property, excess and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust (LGIT). This trust is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages, and operates under the terms of a Trust Agreement.

Subscribers to coverage by LGIT share in the risk among participants of the pools. As a result, the County's annual premium requirements are affected by the loss experience of the various insurance pools in which it participates. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

The County is fully insured for worker's compensation through commercial insurance and certain employees are bonded to limit the loss to the County in the event of employees committing acts of embezzlement or theft. In addition, due to specific exclusions in the County's insurance, the County also has commercial insurance coverage for property liability at the Airport. There has been no significant reduction in insurance coverage from the prior year by major categories of risk, and amounts of settlements have not exceeded insurance coverage for each of the past three fiscal years.

#### **Dorchester County Sanitary Districts**

The County Commissioners of Dorchester County have guaranteed certain obligations of the Dorchester County Sanitary Districts, Inc. in the amount of \$45,618.

## NOTES TO FINANCIAL STATEMENTS

### **Note 15. Commitments and Contingencies (continued).**

#### **Board of Education of Dorchester County**

The Board of Education of Dorchester County receives a substantial amount of its support from state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on future programs and services.

### **Note 16. Subsequent Events.**

#### **Bond Issuances**

On November 18, 2003, the County Council approved Bill Number 2003-15, which authorized the issuance, sale and delivery of Dorchester County, Maryland general obligation bonds and bond anticipation notes in the amount of \$10,708,000. The proceeds from the bonds will be used to finance a new communication system, capping the Beulah landfill, new voting machines and various other projects.

#### **Commitments**

The County contracted with Motorola, Incorporated for the purchase of a new communication system to improve the interoperability of fire, law enforcement and emergency medical services at a cost of \$5,029,717 of which \$1,508,915 has been paid.

#### **Capital Improvements**

Over the past five years, the County has made substantial improvements to the airport and related facilities. In conjunction with continuing these improvements the County has applied for the following grants for fiscal year 2004 and beyond:

<u>Grant Number</u>	<u>Description</u>	<u>Amount</u>
03-24-0007-18	Land acquisition	\$ 750,000
03-24-0007-19	Runway extension, road realignment and taxiway relocation design	350,000
03-24-0007-20	Realignment of Cordtown Road	3,000,000
03-24-0007-21	Relocate parallel taxiway	<u>2,800,000</u>
	Total	<u>\$ 6,900,000</u>

## REQUIRED SUPPLEMENTARY INFORMATION

# DORCHESTER COUNTY, MARYLAND

## REVENUE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>LOCAL PROPERTY TAXES:</b>				
Real property taxes - full-year	\$ 13,161,104	\$ 13,161,104	\$ 13,907,932	\$ 746,828
Real property - semi-annual	132,000	132,000	65,400	(66,600)
Taxes - railroads & public utilities	1,753,727	1,753,727	1,974,670	220,943
Taxes - ordinary business corporations	1,459,729	1,459,729	1,385,258	(74,471)
Additions and abatements, net prior years	(165,932)	(165,932)	(244,957)	(79,025)
Tax credits - legislative restrictions	(22,227)	(22,227)	(53,798)	(31,571)
Interest and penalties - delinquent taxes	300,000	300,000	285,895	(14,105)
	16,618,401	16,618,401	17,320,400	701,999
Less:				
Tax credits - exempt	(336,042)	(336,042)	(864,006)	(527,964)
Interest on tax refunds	(5,000)	(5,000)	(1,727)	3,273
Deferred taxes	-	-	(36,841)	(36,841)
Tax credits - enterprise zone	(125,197)	(125,197)	(83,244)	41,953
<b>Total net local property taxes</b>	16,152,162	16,152,162	16,334,582	182,420
<b>LOCAL INCOME TAXES:</b>				
Income taxes	8,099,611	8,099,611	7,676,378	(423,233)
<b>Total local income taxes</b>	8,099,611	8,099,611	7,676,378	(423,233)
<b>OTHER LOCAL TAXES:</b>				
Recordation tax	925,000	925,000	1,422,544	497,544
911 telephone fees - local	150,000	150,000	126,914	(23,086)
Mobile home taxes (parks)	90,000	90,000	81,804	(8,196)
Hotel room rental tax	185,000	185,000	133,805	(51,195)
Transfer tax	650,000	650,000	993,774	343,774
<b>Total other local taxes</b>	2,000,000	2,000,000	2,758,841	758,841
<b>STATE SHARED TAXES:</b>				
Admission and amusement	2,000	2,000	1,895	(105)
<b>Total state shared taxes</b>	2,000	2,000	1,895	(105)
<b>Total taxes</b>	26,253,773	26,253,773	26,771,695	517,923
<b>LICENSES AND PERMITS - BUSINESS:</b>				
Beer, wine and liquor licenses	70,000	70,000	70,634	634
Seafood buyers permit	1,000	1,000	600	(400)
Traders licenses, pinball, bingo, and slots	18,000	18,000	16,646	(1,354)
<b>Total business licenses and permits</b>	89,000	89,000	87,880	(1,120)



**DORCHESTER COUNTY, MARYLAND**

**REVENUE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2003  
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>LICENSES AND PERMITS - OTHER:</b>				
Marriage licenses	\$ 2,000	\$ 2,000	\$ 1,935	\$ (65)
Animal licenses	200	200	72	(128)
Zoning permit fees	53,147	53,147	73,327	20,180
Building permit fees	41,070	41,070	63,674	22,604
P&Z HVAC permit fees	650	650	615	(35)
Electrical licensing fees	2,000	2,000	8,878	6,878
Plumbing licensing fees	4,000	4,000	6,225	2,225
Electrical permit fees	3,500	3,500	3,860	360
Livability fees	12,500	12,500	10,800	(1,700)
Plumbing permit fees	30,000	30,000	46,010	16,010
<b>Total other licenses and permits</b>	<b>149,067</b>	<b>149,067</b>	<b>215,396</b>	<b>66,329</b>
<b>Total licenses and permits</b>	<b>238,067</b>	<b>238,067</b>	<b>303,276</b>	<b>65,209</b>
<b>INTERGOVERNMENTAL:</b>				
FROM THE FEDERAL GOVERNMENT:				
Civil defense	19,018	19,018	29,018	10,000
FEMA disaster aid	-	-	1,861	1,861
Haz-Mat emergency preparation	-	-	477	477
Federal aid funds	140,000	140,000	141,001	1,001
Other Federal revenue	-	46,000	46,120	120
<b>Total federal intergovernmental</b>	<b>159,018</b>	<b>205,018</b>	<b>218,477</b>	<b>13,459</b>
<b>FEDERAL PAYMENT IN LIEU OF:</b>				
Blackwater Wildlife Refuge	73,510	73,510	68,212	(5,298)
<b>INTERGOVERNMENTAL:</b>				
FROM THE STATE OF MARYLAND:				
MEMA - hurricane conf. reimbursement	-	-	2,625	2,625
Juror reimbursement	10,000	10,000	33,241	23,241
Soil conservation	101,069	101,069	72,525	(28,544)
Johnsongrass fees	6,500	6,500	17,993	11,493
State aid for police protection	107,367	107,367	114,838	7,471
Disparity grant	1,854,882	1,854,882	1,854,882	-
508 fire, rescue and ambulance	225,000	225,000	217,645	(7,355)
Electric equipment property tax grant	187,442	187,442	187,442	-

# DORCHESTER COUNTY, MARYLAND

## REVENUE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>INTERGOVERNMENTAL (continued):</b>				
Health custodial reimbursement	\$ 34,258	\$ 34,258	\$ 39,383	\$ 5,125
Highway user revenues	3,479,339	3,479,339	3,478,833	(506)
Boat ramp maintenance	50,000	50,000	(34,805)	(84,805)
DNR - dredging	175,000	175,000	-	(175,000)
Other state aid	25,000	25,000	150	(24,850)
DNR - Chesapeake Forest Product Corp.	-	-	12,175	12,175
<b>Total State intergovernmental</b>	<b>6,255,857</b>	<b>6,255,857</b>	<b>5,996,927</b>	<b>(258,930)</b>
<b>Total intergovernmental</b>	<b>6,488,385</b>	<b>6,534,385</b>	<b>6,283,616</b>	<b>(250,769)</b>
<b>SERVICE CHARGES AND FEES:</b>				
SERVICE CHARGES - GENERAL GOVT.:				
Tax sale costs reimbursement	15,000	15,000	20,140	5,140
Zoning maps	100	100	325	225
Johnsongrass spraying fees	16,581	16,581	18,451	1,870
Planning and zoning fees	23,700	23,700	18,232	(5,468)
Election fees filing & other	1,500	1,500	2,182	682
Motor vehicle fees - local	-	-	1,935	1,935
Gypsy moth spraying fees	-	-	6,184	6,184
Technology services	-	-	290	290
<b>Total general government</b>	<b>56,881</b>	<b>56,881</b>	<b>67,739</b>	<b>10,858</b>
SERVICE CHARGES - PUBLIC SAFETY:				
Sheriff's fees	33,883	33,883	33,645	(238)
Reimbursement for housing state prisoners	251,000	251,000	239,016	(11,984)
Reimbursement for housing non-co. inmates	625,000	625,000	1,110,128	485,128
Reimbursement for community services	-	-	975	975
HIV security services	1,500	1,500	5,688	4,188
Fees - community service	500	500	955	455
Fees weekend prisoners	3,000	3,000	5,070	2,070
Misc. income - detention center	10,000	10,000	11,269	1,269
EMS billing	613,331	613,331	556,782	(56,549)
Municipal patrol reimbursement	-	-	3,713	3,713
Reimbursement for work release prisoners	45,000	45,000	33,921	(11,079)
<b>Total public safety</b>	<b>1,583,214</b>	<b>1,583,214</b>	<b>2,001,162</b>	<b>417,948</b>

# DORCHESTER COUNTY, MARYLAND

## REVENUE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>SERVICE CHARGES AND FEES (continued):</b>				
SERVICE CHARGES - EDUCATION:				
Home study evaluations	\$ 8,209	\$ 8,209	\$ 6,450	\$ (1,759)
Guidance/instructional services	57,055	62,739	67,006	4,267
<b>Total education</b>	<b>65,264</b>	<b>70,948</b>	<b>73,456</b>	<b>2,508</b>
SERVICE CHARGES - RECREATION:				
Swimming pool fees	25,000	25,000	19,497	(5,503)
Recreation program fees	1,000	1,000	980	(20)
Softball/baseball fees	1,000	1,000	3,100	2,100
Swimming pool concessions	13,500	13,500	12,411	(1,089)
<b>Total recreation</b>	<b>40,500</b>	<b>40,500</b>	<b>35,988</b>	<b>(4,512)</b>
SERVICE CHARGES - PUBLIC WORKS:				
Road opening permits	500	500	205	(295)
Stormwater mgmt. permits	1,000	1,000	3,670	2,670
Forest harvesting permits	2,000	2,000	2,050	50
Grading permits	2,000	2,000	2,902	902
Paved streets	10,000	10,000	-	(10,000)
Parking lots	-	-	5,443	5,443
Snow and ice removal	-	-	1,093	1,093
Other service charges	-	-	427	427
Pipe sales	50,000	50,000	45,872	(4,128)
Other sales	25,000	27,400	32,349	4,949
Shop service charges	5,000	5,000	22,172	17,172
Equipment rental	-	-	33,435	33,435
Cash discounts	8,000	8,000	3,418	(4,582)
Mosquito control fees	30,000	30,000	44,471	14,471
Tyler's Cove slip rent	8,000	8,000	16,966	8,966
Ragged Point slip rent	12,000	12,000	24,298	12,298
Elliotts Island slip rent	6,000	6,000	11,049	5,049
<b>Total public works</b>	<b>159,500</b>	<b>161,900</b>	<b>249,820</b>	<b>87,920</b>
<b>Total service charges and fees</b>	<b>1,905,359</b>	<b>1,913,443</b>	<b>2,428,165</b>	<b>514,722</b>

# DORCHESTER COUNTY, MARYLAND

## REVENUE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>FINES AND FORFEITURES:</b>				
Court fines and forfeitures	\$ 12,000	\$ 12,000	\$ 80,996	\$ 68,996
<b>Total fines and forfeitures</b>	<b>12,000</b>	<b>12,000</b>	<b>80,996</b>	<b>68,996</b>
<b>MISCELLANEOUS:</b>				
Principal and interest - Regina MILA loan	93,588	93,588	93,588	-
Vending machine commission	1,200	1,200	1,639	439
Rent - 911 tower	30,000	30,000	36,880	6,880
Contributions/donations - juvenile services	-	-	100	100
United fund juvenile services	7,751	7,751	-	(7,751)
Interest and dividends on investments	150,000	150,000	46,518	(103,482)
Recreation - J.E.W. Park - City of Camb.	4,500	4,500	5,000	500
Rental - other properties	300,000	300,000	278,701	(21,299)
Miscellaneous income	-	5,000	7,093	2,093
Recreation grant - Board of Education	8,000	8,000	13,235	5,235
Insurance proceeds - highway	-	-	21,288	21,288
Insurance proceeds	-	-	33,347	33,347
Proceeds - fixed asset sale	195,000	195,000	196,745	1,745
Tourism - misc. revenues	-	6,200	6,915	715
Cash discounts	-	-	482	482
<b>Total miscellaneous revenue</b>	<b>790,039</b>	<b>801,239</b>	<b>741,531</b>	<b>(59,708)</b>
<b>Total revenues</b>	<b>\$ 35,687,623</b>	<b>\$ 35,752,907</b>	<b>\$ 36,609,279</b>	<b>\$ 856,373</b>

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
GENERAL GOVERNMENT:				
LEGISLATIVE AND EXECUTIVE:				
Salaries elected/appointed	\$ 65,923	\$ 65,923	\$ 66,135	\$ (212)
Salaries/supervisor	65,000	65,000	65,000	-
Salaries/other	79,587	79,587	79,587	-
Telephone	6,100	4,300	6,552	(2,252)
Advertising	7,500	14,600	15,129	(529)
Printing, publishing, and publications	500	500	453	47
Contractual services	-	500	248	252
Code updates	-	53	3,369	(3,316)
Rental of equipment	2,900	4,323	5,344	(1,021)
Office supplies	3,500	4,324	4,727	(403)
Other expenses	14,500	11,500	13,375	(1,875)
Postage	900	900	598	302
Lodging and meals	2,700	2,700	2,465	235
Meeting registration	1,500	1,500	2,598	(1,098)
Mileage and conference reimbursement	2,500	2,500	2,103	397
Training expense	5,000	-	-	-
Dues	500	400	344	56
	258,610	258,610	268,027	(9,417)
CIRCUIT COURT:				
Salaries/other	78,766	78,766	84,475	(5,709)
Telephone	5,400	5,400	4,011	1,389
Legal counsel/fees	500	500	-	500
Office supplies	1,200	1,200	660	540
Other expenses	2,000	2,000	1,481	519
Postage	450	450	446	4
Expenses - Petit jury	34,000	34,000	36,100	(2,100)
Expenses - Grand jury	2,500	2,500	1,305	1,195
Salaries/other	34,170	34,170	34,854	(684)
Other expenses	1,700	1,700	1,443	257
	160,686	160,686	164,775	(4,089)

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>GENERAL GOVERNMENT (continued):</b>				
ORPHANS COURT:				
Salaries elected/appointed	\$ 10,500	\$ 10,500	\$ 10,500	\$ -
Retirement	3,600	3,600	5,204	(1,604)
Office supplies	500	500	110	390
Other expenses	800	800	50	750
Expense allowance	2,000	2,000	-	2,000
Mileage and conference reimbursement	500	500	729	(229)
	17,900	17,900	16,593	1,307
STATE'S ATTORNEY'S OFFICE:				
Salaries elected/appointed	90,576	90,576	89,159	1,417
Salaries/other	272,240	272,240	286,062	(13,822)
Overtime	3,000	-	-	-
Telephone	8,500	6,368	5,819	549
Rental of land and buildings	21,000	21,000	21,000	-
Rental of equipment	3,291	3,291	2,194	1,097
Building repairs and maintenance	250	250	548	(298)
Office supplies	8,500	11,684	11,342	342
Other expenses	17,000	23,400	12,372	11,028
Postage	6,000	3,748	3,347	401
Mileage and conference reimbursement	6,000	8,800	4,997	3,803
	436,357	441,357	436,840	4,517
ELECTIONS:				
Salaries/supervisor	15,400	15,400	13,965	1,435
Salaries/other	3,500	5,300	7,738	(2,438)
Telephone	3,000	3,000	4,618	(1,618)
Advertising	3,000	3,000	2,471	529
Data processing	6,000	2,000	2,379	(379)
Contractual services	47,800	47,800	40,641	7,159
State employee expense reimbursement	155,909	155,909	147,994	7,915
Rent	2,800	-	-	-
Office supplies	2,500	3,500	7,505	(4,005)
Other expenses	1,000	1,000	2,731	(1,731)
Postage	5,000	12,000	15,133	(3,133)
Mileage and conference reimbursement	8,000	5,000	8,383	(3,383)
	253,909	253,909	253,558	351

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts			Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final			
<b>GENERAL GOVERNMENT (continued):</b>					
TREASURER:					
Salaries elected/appointed	\$ 37,500	\$ 37,500	\$ 37,500	\$ -	
Salaries/other	89,274	89,274	86,547	2,727	
Telephone	3,000	3,000	2,485	515	
Advertising	8,000	8,000	7,900	100	
Data processing	17,854	17,854	17,083	771	
Legal	300	300	-	300	
Office supplies	1,000	1,000	799	201	
Other expenses	1,700	1,700	1,228	472	
Postage	8,000	8,000	8,625	(625)	
Dog tag expense	100	100	63	37	
Mileage and conference reimbursement	750	750	756	(6)	
Insurance bonds	2,400	2,400	2,200	200	
	169,878	169,878	165,186	4,692	
FINANCE OFFICE:					
Salaries/supervisor	57,000	57,000	54,808	2,192	
Salaries/other	116,960	116,960	126,219	(9,259)	
Telephone	2,450	2,450	2,976	(526)	
Printing and publishing	500	500	269	231	
Payroll services	19,500	19,500	19,901	(401)	
Rental of equipment	2,727	2,727	4,748	(2,021)	
Office supplies	9,783	9,783	8,534	1,249	
Other expenses	500	500	1,829	(1,329)	
Postage	1,000	1,000	901	99	
Lodging and meals	500	500	260	240	
Meeting registration	500	500	435	65	
Mileage and conference reimbursements	500	500	196	304	
Dues	750	750	705	45	
	212,670	212,670	221,781	(9,111)	

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2003  
(Continued)**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Favorable (Unfavorable)
GENERAL GOVERNMENT (continued):				
PLANNING AND ZONING:				
Salaries elected/appointed	\$ 1,600	\$ 1,600	\$ 327	\$ 1,273
Salaries/supervisor	49,376	49,376	47,222	2,154
Salaries/other	207,926	207,926	205,004	2,922
Telephone	4,720	4,720	6,043	(1,323)
Advertising	1,500	1,500	474	1,026
Printing, publishing and publications	4,100	4,100	3,859	241
Contractual services	8,500	8,500	6,548	1,952
Legal counsel/fees	7,262	7,262	7,045	217
Recording fees	-	-	5	(5)
Auto expenses	6,500	6,500	5,278	1,222
Office supplies	2,500	2,500	2,019	481
Other expenses	700	700	411	289
Postage	2,500	2,500	1,890	610
Photographic expense	200	200	42	158
Lodging and meals	1,700	1,700	1,203	497
Meeting registration	1,000	1,000	370	630
Association dues	1,000	1,000	1,145	(145)
Mileage and conference reimbursement	250	250	82	168
Salaries elected/appointed	2,940	3,945	2,285	1,660
Salaries elected/appointed	2,625	3,525	2,550	975
	306,899	308,804	293,802	15,002
INFORMATION TECHNOLOGY				
Salaries/supervisor	55,000	55,000	55,000	-
Salaries/other	30,221	30,221	30,221	-
Communications	2,800	2,800	3,050	(250)
Printing and publishing	1,000	1,000	887	113
Office supplies	1,000	1,500	1,410	90
Other expenses	1,500	1,500	1,517	(17)
Media and other accessories	250	250	249	1
Lodging and meals	1,000	1,000	644	356
Meeting registration	500	500	-	500
Travel	1,000	1,000	809	191
Training expense	9,000	3,000	3,086	(86)
Dues	800	800	537	263
	104,071	98,571	97,410	1,161



# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>GENERAL GOVERNMENT (continued):</b>				
OTHER GENERAL GOVERNMENT				
Legal counsel/fees	\$ 28,000	\$ 28,000	\$ 27,981	\$ 19
Legal counsel/expenses	5,000	5,000	6,919	(1,919)
Legal counsel fees	2,500	2,500	-	2,500
Salaries elected/appointed	10,500	10,500	6,250	4,250
Contractual services	5,000	5,000	-	5,000
Salaries/supervisor	40,000	40,000	23,846	16,154
Telephone	3,800	3,800	341	3,459
Advertising	4,500	4,500	113	4,387
Printing and publications	1,000	1,000	49	951
Office supplies	2,700	2,700	427	2,273
Postage	500	500	66	434
Meeting registration	1,000	1,000	25	975
Dues	800	800	145	655
Contractual services - audit	54,000	54,000	38,700	15,300
Code updates	5,300	5,300	5,215	85
Administrative fees	7,000	7,000	2,362	4,638
Auto expenses	1,000	1,000	-	1,000
Other expenses	39,800	39,800	34,089	5,711
Liability insurance	135,000	135,000	116,649	18,351
Replacement of damaged assets	-	-	26,501	(26,501)
Other expenses	12,000	12,000	12,000	-
	359,400	359,400	301,678	57,722
<b>Total general government</b>	<b>2,280,380</b>	<b>2,281,785</b>	<b>2,219,650</b>	<b>62,135</b>
<b>PUBLIC SAFETY:</b>				
VOLUNTEER FIRE & AMBULANCE COMPANIES:				
State aid (508 funds)	225,000	225,000	218,253	6,747
Fire company appropriations	437,500	437,500	437,500	-
Medical expenses	1,000	3,000	1,933	1,067
Contractual services	54,399	54,399	59,727	(5,328)

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>PUBLIC SAFETY (continued):</b>				
VOLUNTEER FIRE & AMBULANCE COMPANIES (continued):				
Salaries/supervisor	\$ 41,116	\$ 55,516	\$ 41,116	\$ 14,400
Salaries/other	-	82,668	94,604	(11,936)
Overtime	-	3,960	1,279	2,681
Other expenses	3,630	3,630	2,983	647
Rental of equipment	3,360	3,360	3,326	34
BLS transport fees	294,100	294,100	170,034	124,066
ALS transport fees	120,000	107,059	157,690	(50,631)
Auto expenses	3,000	5,500	3,719	1,781
Office supplies	1,000	2,000	1,000	1,000
Radio expenses	-	2,000	2,296	(296)
Postage	500	500	37	463
Mileage and conference	500	500	103	397
Uniforms and physicals	500	900	1,213	(313)
Fuel	-	1,500	2,232	(732)
New vehicles/equipment	-	8,000	8,000	-
Utilities	1,706	3,106	2,662	444
Advanced life support appropriations	565,000	445,833	447,823	(1,990)
	1,752,311	1,740,031	1,657,530	82,501
EMERGENCY MGMT. & COMMUNICATIONS:				
Salaries/supervisor	26,698	26,698	26,698	-
Personnel	1,200	1,200	1,200	-
Telephone	2,800	3,350	4,334	(984)
Water	225	225	188	37
Electric	4,500	5,500	5,914	(414)
Printing, publishing and public relations	800	650	989	(339)
Radio expense	250	250	215	35
Contractual services	1,200	400	368	32
Auto expense	700	700	887	(187)
Building maintenance and repairs	100	-	-	-
Office supplies	1,000	1,000	72	928
Other expenses	400	400	462	(62)
Postage	100	100	19	81

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY (continued):</b>				
EMERGENCY MGMT. & COMMUNICATIONS (continued):				
Lodging and meals	\$ 1,267	\$ 1,267	\$ 1,420	\$ (153)
Association dues	105	105	105	-
Mileage and conference reimbursement	895	895	860	35
Training expense	804	304	86	218
Salaries/supervisor	34,083	34,083	-	34,083
Salaries/other	295,255	295,255	318,028	(22,773)
Salaries/overtime	10,000	10,000	29,495	(19,495)
Telephone	62,000	44,000	41,984	2,016
Water	800	800	892	(92)
Electric	15,000	15,000	21,454	(6,454)
Radio expense	10,000	10,000	7,514	2,486
Contractual services	33,000	51,000	57,743	(6,743)
Auto expenses	2,000	2,000	2,714	(714)
Building maintenance and repairs	2,000	2,000	1,757	243
Rental of equipment	-	-	255	(255)
Office supplies	500	500	665	(165)
Other expenses	2,000	2,000	1,856	144
Postage	200	200	118	82
Mileage and conference reimbursement	1,000	1,000	1,176	(176)
Employee uniforms and physicals	1,800	1,800	1,813	(13)
Liability insurance	2,500	2,500	2,213	287
Training expense	3,800	3,800	5,577	(1,777)
	<u>518,982</u>	<u>518,982</u>	<u>539,071</u>	<u>(20,089)</u>
ANIMAL CONTROL:				
Control of animals	123,840	123,840	123,840	-
SHERIFF'S DEPARTMENT:				
Salaries elected/appointed	45,000	45,000	45,000	-
Salaries/other	1,021,393	1,021,393	980,619	40,774
Salaries/overtime	42,607	42,607	160,599	(117,992)
Overtime - bike patrol	15,000	15,000	-	15,000
Telephone	6,000	6,000	15,091	(9,091)

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY (continued):</b>				
SHERIFF'S DEPARTMENT (continued):				
Water	\$ 2,500	\$ 2,500	\$ 3,991	\$ (1,491)
Electric	5,000	5,000	6,943	(1,943)
Gas - heat	4,000	4,000	6,818	(2,818)
Advertising	250	250	-	250
Printing, publishing, publications	1,000	1,000	137	863
Radio expense	7,000	7,000	14,943	(7,943)
Contractual services	40,000	40,000	59,504	(19,504)
Code updates	1,500	1,500	498	1,002
Auto expenses	64,970	64,970	105,630	(40,660)
Office supplies	8,000	8,000	11,850	(3,850)
Other expenses	1,500	1,500	852	648
Municipalities Patrol	-	-	3,738	(3,738)
Postage	2,000	2,000	2,247	(247)
Photographic expense	3,000	3,000	3,013	(13)
Law enforcement supplies	12,000	12,000	17,532	(5,532)
Transportation and investigation	500	500	1,805	(1,305)
Mileage and conference reimbursement	2,000	2,000	820	1,180
Employee uniforms and physicals	21,000	21,000	24,353	(3,353)
Liability insurance	12,000	12,000	19,043	(7,043)
Crime prevention	4,000	4,000	1,805	2,195
Training expense	15,000	15,000	16,251	(1,251)
Dues	1,000	1,000	1,325	(325)
New vehicles/equipment	-	-	537	(537)
	1,338,220	1,338,220	1,504,944	(166,724)
<b>DRUG TASK FORCE:</b>				
Telephone - drug task force	-	-	6,564	(6,564)
Advertising	-	-	580	(580)
Radio expense - drug task force	-	-	3,631	(3,631)
Other expense - drug task force	-	-	13,486	(13,486)
	-	-	24,261	(24,261)

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY (continued):</b>				
DETENTION CENTER:				
Radio expense	\$ 1,000	\$ 1,000	\$ 3,873	\$ (2,873)
Auto expenses	10,000	10,000	15,765	(5,765)
Building maintenance and repairs	-	-	252	(252)
Office supplies	7,000	7,000	8,237	(1,237)
Other expenses	26,500	26,500	29,542	(3,042)
Postage	800	800	1,085	(285)
Food	263,000	263,000	305,865	(42,865)
Photographic expense	500	500	-	500
Clothing - inmates	1,000	1,000	213	787
Mileage and conference reimbursement	2,500	2,500	2,978	(478)
Employee uniforms and physicals	5,000	5,000	7,488	(2,488)
Liability insurance	18,000	18,000	20,512	(2,512)
Training expense	5,000	5,000	5,816	(816)
Trustees expense	21,000	21,000	23,498	(2,498)
Salaries/supervisor	56,805	56,805	56,805	-
Salaries/other	1,659,510	1,659,510	1,657,782	1,728
Salaries/overtime	12,000	12,000	18,813	(6,813)
Cadet program - salaries	4,000	4,000	-	4,000
Telephone	5,000	5,000	3,709	1,291
Water	17,600	17,600	23,907	(6,307)
Electric	33,000	33,000	44,849	(11,849)
Gas heat	44,000	44,000	44,236	(236)
Medical expenses and supplies	220,000	220,000	291,794	(71,794)
Salaries/other - building exp.	51,020	51,020	51,531	(511)
Overtime - building exp.	1,400	1,400	824	576
Auto expenses - building exp.	680	680	1,207	(527)
Building maintenance	32,000	32,000	43,070	(11,070)
Contractual services	20,380	20,380	17,764	2,616
	2,518,695	2,518,695	2,681,415	(162,720)
<b>Total public safety</b>	<b>6,252,048</b>	<b>6,239,768</b>	<b>6,531,061</b>	<b>(291,293)</b>

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>SOCIAL SERVICES:</b>				
YOUTH SERVICES:				
Rental of land and buildings	\$ 12,000	\$ 12,000	\$ -	\$ 12,000
Salaries/supervisor	46,580	46,580	46,580	-
Salaries/other	115,371	119,055	101,730	17,325
Telephone/communications	804	804	796	8
Contractual services	1,100	1,100	1,168	(68)
Postage - united fund	100	100	-	100
Mileage & conference reimbursement - united	2,000	2,000	239	1,761
Liability insurance - united fund	100	100	-	100
Training expense	300	300	255	45
Other expense	2,651	2,651	944	1,707
Postage	100	100	100	-
Mileage & conference reimbursement	2,000	4,000	4,226	(226)
Insurance	700	700	700	-
Training expense	400	400	400	-
Telephone	300	300	-	300
Printing	200	200	-	200
Office supplies	500	500	189	311
	<u>185,206</u>	<u>190,890</u>	<u>157,327</u>	<u>33,563</u>
OTHER HEALTH AND SOCIAL SERVICES:				
Salaries/supervisor	6,820	6,820	6,599	221
Pleasant Day Adult Care - budgeted approp.	21,120	21,120	21,120	-
Delmarva Comm. Svcs. - budgeted approp.	49,500	55,201	55,201	-
Chesapeake Rehab. - budgeted appropriations	7,975	7,975	7,975	-
Expense allowance	2,496	2,496	2,236	260
Community development appropriations	11,520	11,520	11,520	-
	<u>99,431</u>	<u>105,132</u>	<u>104,651</u>	<u>481</u>
<b>Total social services</b>	<u>284,637</u>	<u>296,022</u>	<u>261,978</u>	<u>34,044</u>
<b>RECREATION AND PARKS:</b>				
RECREATION DEPARTMENT:				
Salaries/supervisor	51,125	51,895	51,715	180
Salaries/other	128,208	128,208	130,285	(2,077)
Telephone	2,050	2,050	2,031	19
Water	700	700	692	8
Electric	4,100	4,100	4,301	(201)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2003  
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>RECREATION AND PARKS (continued):</b>				
RECREATION DEPARTMENT (continued):				
Contractual services	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Rental of equipment	2,100	1,900	1,811	89
Auto expenses	6,000	6,000	6,289	(289)
Maintenance and repairs	5,000	5,000	4,394	606
Trash removal	1,600	1,800	1,617	183
Office supplies	2,000	2,000	2,165	(165)
Other expenses	33,000	31,630	27,915	3,715
Postage	900	900	950	(50)
Mileage and conference reimbursement	1,000	900	849	51
Salaries/other - seasonal employees	60,100	60,100	55,243	4,857
Salaries/other - swimming pool	55,000	55,000	50,874	4,126
Telephone	650	650	322	328
Water	600	700	512	188
Electric	10,250	10,250	7,914	2,336
Maintenance and repairs	3,800	3,800	3,792	8
Trash removal	500	700	638	62
Other expenses	16,600	17,000	17,400	(400)
Food	9,000	9,000	8,933	67
Other expenses	-	-	17	(17)
Electric	4,800	4,800	3,483	1,317
Maintenance	1,500	1,500	1,276	224
	<u>415,583</u>	<u>415,583</u>	<u>400,418</u>	<u>15,165</u>
COOPERATIVE EXTENSION SERVICES:				
Budgeted appropriations	111,538	111,538	111,538	-
Miscellaneous budgeted appropriation	9,650	9,650	9,650	-
	<u>121,188</u>	<u>121,188</u>	<u>121,188</u>	<u>-</u>
<b>Total recreation and parks</b>	<u>536,771</u>	<u>536,771</u>	<u>521,606</u>	<u>15,165</u>
<b>NATURAL RESOURCES:</b>				
OYSTER REPLENISHMENT SERVICES:				
Budgeted appropriations	10,000	10,000	10,000	-
SOIL CONSERVATION:				
Salaries/other	170,039	170,039	161,161	8,878
Other expenses	3,360	3,360	3,360	-
	<u>173,399</u>	<u>173,399</u>	<u>164,521</u>	<u>8,878</u>

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>NATURAL RESOURCES (continued):</b>				
FOREST CONSERVATION:				
Gypsy moth program	\$ -	\$ -	\$ 8,585	\$ (8,585)
Budgeted appropriations	2,400	2,400	2,400	-
	2,400	2,400	10,985	(8,585)
WEED CONTROL:				
Health insurance	-	-	1,000	(1,000)
Workers' compensation	590	590	-	590
Social security	1,386	1,386	1,545	(159)
Salaries/supervisor	19,466	19,466	20,203	(737)
Auto expenses	1,920	1,920	2,257	(337)
Other expenses	7,320	7,320	12,006	(4,686)
Postage	48	48	37	11
Food	96	96	-	96
Meeting registration	96	96	-	96
	30,922	30,922	37,048	(6,126)
<b>Total natural resources</b>	<b>216,721</b>	<b>216,721</b>	<b>222,554</b>	<b>(5,833)</b>
<b>ECONOMIC DEVELOPMENT:</b>				
ECONOMIC DEVELOPMENT DEPARTMENT:				
Salaries/supervisor	45,444	45,444	47,109	(1,665)
Salaries/other	22,121	22,121	25,547	(3,426)
Telephone	4,000	4,000	3,422	578
Advertising	900	900	235	665
Printing, publishing, and publications	1,000	1,000	557	443
Contractual services	4,000	4,000	885	3,115
Office supplies	1,000	1,000	802	198
Other expenses	500	500	85	415
Postage	300	300	293	7
Lodging & meals	4,000	4,000	1,582	2,418
Meeting registration	1,000	1,000	735	265
Association dues	550	550	475	75
Mileage and conference reimbursement	4,000	4,000	1,177	2,823
Special projects	10,000	10,000	10,000	-
	98,815	98,815	92,904	5,911



# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>ECONOMIC DEVELOPMENT (continued):</b>				
TOURISM:				
Salaries/supervisor	\$ 43,280	\$ 43,280	\$ 41,616	\$ 1,664
Salaries/other	97,424	97,424	91,790	5,634
Telephone	3,500	4,200	4,961	(761)
Water	3,500	2,800	2,864	(64)
Electric	20,000	18,700	17,970	730
Advertising	75,000	-	50	(50)
Printing, publishing, and publications	13,000	4,265	3,807	458
Contractual services	-	6,000	6,000	-
Rental of equipment	2,800	2,800	1,998	802
Building maintenance and repair	3,000	3,000	2,485	515
Office supplies	2,076	1,776	1,576	200
Other expenses	5,500	7,000	6,863	137
Postage	6,400	9,700	9,692	8
Photographic expense	900	-	-	-
Cost of goods	2,000	-	-	-
Lodging & meals	2,000	2,900	2,991	(91)
Association dues	500	500	574	(74)
Mileage & conference reimbursement	3,500	3,500	3,382	118
	<u>284,380</u>	<u>207,845</u>	<u>198,619</u>	<u>9,226</u>
OTHER ECONOMIC DEVELOPMENT:				
Delmarva advisory council appropriation	1,531	1,531	1,531	-
Water trans. appropriation	955	955	955	-
Capital outlay	21,000	21,000	21,000	-
	<u>23,486</u>	<u>23,486</u>	<u>23,486</u>	<u>-</u>
<b>Total economic development</b>	<u>406,681</u>	<u>330,146</u>	<u>315,009</u>	<u>15,137</u>
<b>INTERGOVERNMENTAL:</b>				
Tax rebate to municipalities	69,000	69,000	69,000	-
Bank stock - inc. towns	11,544	11,544	11,544	-
Mosquito control	249,600	249,600	220,511	29,089
Dor. Co. Health Department	701,954	701,954	662,081	39,873
<b>Total intergovernmental</b>	<u>1,032,098</u>	<u>1,032,098</u>	<u>963,136</u>	<u>68,962</u>

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>MISCELLANEOUS:</b>				
MD School for the Blind	\$ 200	\$ 200	\$ -	\$ 200
Health insurance - retirees	115,504	115,504	97,977	17,527
Health insurance	879,573	879,573	838,940	40,633
Social security	380,000	387,426	441,668	(54,242)
Retirement	300,000	300,000	227,440	72,560
Workers' compensation	80,000	83,883	60,878	23,005
Unemployment insurance	20,000	20,971	4,190	16,781
Compensated absences	-	-	19,098	(19,098)
Contingency	300,000	291,394	173,804	117,590
Telephone	800	800	792	8
Contractual services	15,000	20,000	17,793	2,207
Mileage and conference reimbursement	2,000	2,500	1,720	780
Dues	7,000	7,000	5,373	1,627
<b>Total miscellaneous</b>	<b>2,100,077</b>	<b>2,109,251</b>	<b>1,889,673</b>	<b>219,578</b>
<b>EDUCATION:</b>				
Dor. Co. Board of Education	15,069,453	15,069,453	15,069,453	-
Chesapeake Community College	1,011,721	1,011,721	1,011,721	-
Dor. Co. Public Library	458,829	458,829	458,829	-
<b>Total education</b>	<b>16,540,003</b>	<b>16,540,003</b>	<b>16,540,003</b>	<b>-</b>
<b>PUBLIC WORKS:</b>				
<b>MAINTENANCE:</b>				
Salaries/supervisor	34,083	34,083	34,083	-
Salaries/other	121,708	121,708	111,181	10,527
Telephone	3,000	3,000	2,751	249
Auto expenses	2,500	2,500	5,409	(2,909)
Employee uniforms and physicals	2,500	2,500	3,008	(508)
Water	1,200	1,200	1,402	(202)
Electric	38,000	38,000	36,624	1,376
Gas heat	10,000	10,000	15,219	(5,219)
Building maintenance and repairs	20,000	20,000	26,323	(6,323)
Other expenses	5,000	5,000	5,519	(519)
Building maintenance	10,000	10,000	14,835	(4,835)
Water	1,200	1,200	1,725	(525)
Electric	25,500	25,500	31,163	(5,663)
Gas-Heat	5,000	5,000	7,089	(2,089)

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC WORKS (continued):</b>				
MAINTENANCE (continued):				
Building maintenance and repairs	\$ 17,000	\$ 17,000	\$ 17,633	\$ (633)
Other expenses	10,000	10,000	8,523	1,477
Capital outlay	500	500	-	500
Water	400	400	271	129
Electric	3,600	3,600	4,242	(642)
Building maintenance and repairs	1,000	1,000	401	599
Building maintenance	2,000	2,000	4,650	(2,650)
Salaries/supervisor	52,222	52,222	59,840	(7,618)
Contractual services	1,800	1,800	-	1,800
Office supplies	1,000	1,000	969	31
Other expenses	8,100	8,100	2,142	5,958
Meeting and registration	1,225	1,225	296	929
	<u>378,538</u>	<u>378,538</u>	<u>395,298</u>	<u>(16,760)</u>
WALLACE CREEK DREDGING				
Contractual services	175,000	175,000	-	175,000
HOOPERS ISLAND BRIDGE PROJECT:				
Contractual services	-	-	28,687	(28,687)
OTHER STATE AID PROJECTS:				
Salaries/other	30,000	30,000	-	30,000
Electric - Bucktown and Woods Road	-	-	500	(500)
	<u>30,000</u>	<u>30,000</u>	<u>500</u>	<u>29,500</u>
SHOULDER WORK:				
Blacktop materials	140,000	140,000	119,387	20,613
Salaries/other	7,000	7,000	7,311	(311)
Other materials	1,000	1,000	66	934
	<u>148,000</u>	<u>148,000</u>	<u>126,764</u>	<u>21,236</u>
ROADWAYS:				
Salaries/other	140,000	165,000	177,132	(12,132)
Other materials	20,000	20,000	14,926	5,074
	<u>160,000</u>	<u>185,000</u>	<u>192,058</u>	<u>(7,058)</u>

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC WORKS (continued):</b>				
SURFACE TREATMENT:				
Salaries/other	\$ 45,000	\$ 45,000	\$ 30,444	\$ 14,556
Asphalt S/T materials	130,000	70,000	59,425	10,575
Stone S/T materials	130,000	65,000	51,818	13,182
	305,000	180,000	141,687	38,313
DRAINAGE:				
Salaries/other	100,000	100,000	112,482	(12,482)
Contractual services	1,000	1,000	500	500
Drainage materials	60,000	60,000	54,173	5,827
	161,000	161,000	167,155	(6,155)
BUSHING:				
Salaries/other	50,000	43,000	40,151	2,849
Contractual services	2,000	3,200	3,177	23
	52,000	46,200	43,328	2,872
BLACKTOPPING:				
Salaries/other	120,000	120,000	41,369	78,631
Contractual services	1,000	126,000	123,755	2,245
Asphalt materials	165,000	165,000	107,259	57,741
Stone materials	190,000	135,036	90,051	44,985
Other materials	-	-	178	(178)
Fuel oil	20,000	20,000	10,683	9,317
	496,000	566,036	373,295	192,741
WIDENING AND IMPROVEMENTS:				
Salaries/other	40,000	20,000	12,721	7,279
Other materials	1,000	1,000	-	1,000
	41,000	21,000	12,721	8,279
PATCHING:				
Salaries/other	28,000	47,000	50,571	(3,571)
Stone stabilization	6,000	-	-	-
	34,000	47,000	50,571	(3,571)
MOWING:				
Salaries/other	75,000	75,000	74,741	259
REMOVING DEBRIS:				
Salaries/other	16,000	14,000	16,371	(2,371)
Contract services	-	-	272	(272)
	16,000	14,000	16,643	(2,643)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2003  
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC WORKS (continued):</b>				
BRIDGES:				
Salaries/other	\$ 10,000	\$ 2,000	\$ 524	\$ 1,476
Contract services	390,000	390,000	13,587	376,413
Bridge materials	15,000	-	-	-
	<u>415,000</u>	<u>392,000</u>	<u>14,111</u>	<u>377,889</u>
SHOP:				
Salaries/other	252,502	252,502	272,484	(19,982)
Contractual services	60,000	40,000	33,005	6,995
Repair parts	80,000	80,000	92,284	(12,284)
Tires & tubes	22,000	32,000	30,637	1,363
Shop supplies	29,000	29,000	25,436	3,564
Small tools	3,000	3,000	4,002	(1,002)
	<u>446,502</u>	<u>436,502</u>	<u>457,848</u>	<u>(21,346)</u>
YARD:				
Other materials	-	-	919	(919)
Salaries/other	2,500	2,500	3,392	(892)
	<u>2,500</u>	<u>2,500</u>	<u>4,311</u>	<u>(1,811)</u>
SNOW AND ICE:				
Salaries/other	25,000	121,103	121,103	-
Overtime	5,000	-	-	-
Other materials	10,000	10,000	10,257	(257)
New vehicles/equipment	-	-	513	(513)
	<u>40,000</u>	<u>131,103</u>	<u>131,873</u>	<u>(770)</u>
OTHER ROAD DAMAGE:				
Salaries/other	4,000	10,000	10,782	(782)
WATERWAY IMPROVEMENT:				
Salaries/other	12,500	28,500	28,715	(215)
Other materials	25,000	16,000	9,487	6,513
	<u>37,500</u>	<u>44,500</u>	<u>38,202</u>	<u>6,298</u>
LICENSING AND PERMITS:				
Salaries/other	31,195	24,195	24,324	(129)

# DORCHESTER COUNTY, MARYLAND

## EXPENDITURE DETAIL BUDGET AND ACTUAL - GENERAL FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC WORKS (continued):</b>				
ELLIOTS ISLAND DOCK:				
Electric	\$ 400	\$ 400	\$ 749	\$ (349)
Contractual services	1,000	1,000	861	139
Other materials	-	-	86	(86)
	1,400	1,400	1,696	(296)
RAGGED POINT DOCK:				
Electric	700	700	1,221	(521)
Contractual services	1,000	1,000	1,832	(832)
Other materials	-	-	22	(22)
	1,700	1,700	3,075	(1,375)
TYLERS COVE DOCK:				
Electric	500	500	688	(188)
BOAT RAMPS:				
Salaries/other	25,617	25,617	1,793	23,824
Electric	2,000	2,000	2,265	(265)
Contractual services	20,000	20,000	26,765	(6,765)
Other materials	19,250	19,250	672	18,578
	66,867	66,867	31,495	35,372
BILLABLE JOBS:				
Salaries/other	4,500	4,500	10,497	(5,997)
Contractual services	-	-	372	(372)
Other materials	2,000	4,400	7,950	(3,550)
	6,500	8,900	18,819	(9,919)
ADMINISTRATIVE SALARIES:				
Salaries/supervisor	63,443	63,443	63,322	121
Salaries/other	69,627	69,627	75,409	(5,782)
	133,070	133,070	138,731	(5,661)
LEAVE SALARIES:				
Salaries/other	260,000	260,000	254,712	5,288
OTHER ADMINISTRATIVE:				
Water and sewer	700	700	-	700
Electricity	40,000	40,000	28,414	11,586
Propane	-	-	799	(799)
Advertising	3,000	3,000	1,721	1,279
Communications	5,000	5,000	6,455	(1,455)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2003  
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC WORKS (continued):</b>				
OTHER ADMINISTRATIVE (continued):				
Contractual services	\$ 4,000	\$ 4,000	\$ 1,115	\$ 2,885
Maintenance and repairs	2,000	2,000	2,300	(300)
Office supplies	7,000	7,000	4,761	2,239
Cleaning supplies	300	300	413	(113)
Fuel oil	100,000	130,000	128,121	1,879
Gasoline	30,000	30,000	8,305	21,695
Conferences, meetings and conventions	1,500	1,500	505	995
Employee uniforms and physicals	22,000	22,000	19,023	2,977
Insurance - liability/property	25,000	25,000	19,479	5,521
Training	1,000	1,000	1,019	(19)
New vehicles/equipment	1,600	1,600	3,144	(1,544)
	<u>243,100</u>	<u>273,100</u>	<u>225,574</u>	<u>47,526</u>
HIGHWAY SAFETY SIGNS:				
Salaries/other	32,166	32,166	31,556	610
Other materials	20,000	20,000	17,929	2,071
	<u>52,166</u>	<u>52,166</u>	<u>49,485</u>	<u>2,681</u>
HIGHWAY SAFETY STRIPING:				
Salaries/other	2,500	2,500	2,183	317
Contractual services	25,000	25,000	19,471	5,529
Other materials	1,000	1,000	315	685
	<u>28,500</u>	<u>28,500</u>	<u>21,969</u>	<u>6,531</u>
EMPLOYEE EXPENSES - HIGHWAYS:				
Health insurance retirees	98,670	98,670	83,684	14,986
Social security	113,148	113,148	111,155	1,993
Retirement	65,000	65,000	68,248	(3,248)
Unemployment insurance	2,000	2,000	11,149	(9,149)
Workers' compensation	50,000	61,000	61,097	(97)
Health insurance - highways	245,474	245,474	238,253	7,221
	<u>574,292</u>	<u>585,292</u>	<u>573,586</u>	<u>11,706</u>
<b>Total public works</b>	<u>4,416,330</u>	<u>4,479,069</u>	<u>3,624,729</u>	<u>854,340</u>
<b>Total expenditures</b>	<u>\$ 34,065,746</u>	<u>\$ 34,061,634</u>	<u>\$ 33,089,399</u>	<u>\$ 972,235</u>

# DORCHESTER COUNTY, MARYLAND

## REVENUE DETAIL BUDGET AND ACTUAL SPECIAL REVENUE - GRANTS FUND Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>FEDERAL GOVERNMENT</b>				
<b>LMB FEDERAL REVENUES</b>				
LMB - safe and stable families	\$ 123,175	\$ -	\$ 48,771	\$ 48,771
Total LMB federal revenues	123,175	-	48,771	48,771
<b>OTHER FEDERAL REVENUES</b>				
COPS fast grant - sheriff's office	105,982	105,982	53,187	(52,795)
Victim witness advocate grant	-	-	6,081	6,081
Alcohol/drug highway safety	59,000	59,000	36,717	(22,283)
Critical areas grant	52,000	52,000	52,000	-
Body armor grant - sheriff	19,706	19,706	17,679	(2,027)
Transportation grant	-	-	46,620	46,620
Weatherization assistance program	-	-	11,442	11,442
Domestic preparedness equipment grant	-	193,056	122,277	(70,779)
Harriet Tubman Experience grant	-	-	8,000	8,000
Emergency food assistance	-	-	8,265	8,265
School resource officer grant	82,000	82,000	67,025	(14,975)
LLEBG workstation grant	-	11,046	11,046	-
Byrne - safe family grant	-	115,313	34,115	(81,198)
Emergency shelter grant	-	-	19,800	19,800
Total other Federal revenues	318,688	638,103	494,254	(143,849)
Total federal revenues	441,863	638,103	543,025	(95,078)
<b>STATE GOVERNMENT</b>				
<b>LMB STATE REVENUES</b>				
LMB subcabinet - OCYF	1,849,011	1,776,812	2,164,444	387,632
LMB - juvenile intervention	-	-	7,160	7,160
LMB - community prosecution	-	-	31,425	31,425
LMB - victim outreach	-	-	3,333	3,333
LMB - community policing	-	-	51,470	51,470
LMB - community mobilization	-	-	9,111	9,111
LMB - other	-	-	23,791	23,791
Total LMB state revenue	1,849,011	1,776,812	2,290,734	513,922
<b>OTHER STATE REVENUES</b>				
Family services grant	107,779	115,322	103,326	(11,996)
Transportation grant	-	-	422,751	422,751
Homeless grant	-	-	43,359	43,359



# DORCHESTER COUNTY, MARYLAND

## REVENUE DETAIL BUDGET AND ACTUAL SPECIAL REVENUE - GRANTS FUND Year Ended June 30, 2003 (Continued)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Budget	Actual	
STATE GOVERNMENT (continued)				
OTHER STATE REVENUES (continued)				
Victim/Witness Coordinator - District Court	\$ 31,250	\$ 31,250	\$ 12,748	\$ (18,502)
Open space grant	-	37,500	407,663	370,163
Tourism development grant	35,000	35,000	18,000	(17,000)
Circuit court master	-	-	29,331	29,331
Community service grant	10,000	10,000	10,000	-
Pilg grant: MD historical trust	25,000	25,000	17,502	(7,498)
Choptank River heritage tourism grant	-	-	18,034	18,034
Rental allowance program	-	-	17,766	17,766
MD heritage area capital grant	12,500	12,500	3,750	(8,750)
MD heritage area operating grant	45,000	45,000	33,750	(11,250)
School bus safety enforcement grant	-	-	12,500	12,500
GOCCP - youth strategy	-	-	96,822	96,822
Rural AED grant - EMS	-	-	22,189	22,189
MEMA Tornado assistance	-	27,200	49,324	22,124
DNR waterway improvement project	-	61,816	349,222	287,406
Total other state revenues	266,529	400,588	1,668,037	1,267,449
Total state revenues	2,115,540	2,177,400	3,958,771	1,781,371
Interest and dividends on investments	-	-	13,273	13,273
Miscellaneous	-	15,600	12,151	(3,449)
Total revenues	\$ 2,557,403	\$ 2,831,103	\$ 4,527,220	\$ 1,696,117

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2003**

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>FEDERAL GOVERNMENT</b>				
<b>LMB FEDERAL EXPENDITURES</b>				
<b>LMB - HEALTHY FAMILIES</b>				
Passthrough funds	\$ -	\$ -	\$ 25,255	\$ (25,255)
Total LMB federal expenditures	-	-	25,255	(25,255)
<b>OTHER FEDERAL EXPENDITURES</b>				
<b>BYRNE GRANT - STATE'S ATTORNEY</b>				
Health insurance	3,039	3,039	8,755	(5,716)
Social security	2,678	2,678	1,776	902
Salaries/other	35,000	35,000	23,432	11,568
Other expenses	616	616	2,756	(2,140)
	41,333	41,333	36,719	4,614
<b>CRITICAL AREAS GRANT</b>				
Health insurance	4,850	4,850	5,945	(1,095)
Social security	1,650	1,650	1,674	(24)
Retirement	1,200	1,200	-	1,200
Worker's compensation insurance	70	70	76	(6)
Salaries/other	22,927	22,927	28,003	(5,076)
Advertising	600	600	363	237
Printing, publishing and publication	4,000	4,000	1,433	2,567
Contractual services	7,500	7,500	12,500	(5,000)
Office supplies	1,750	1,750	1,034	716
Postage	800	800	830	(30)
Mileage and conference reimbursement	600	600	142	458
	45,947	45,947	52,000	(6,053)
<b>ALCOHOL/DRUG HIGHWAY SAFETY</b>				
Social security	-	-	730	(730)
Worker's compensation insurance	-	-	179	(179)
Overtime	-	-	9,538	(9,538)
Other expenses	-	-	26,321	(26,321)
	-	-	36,768	(36,768)
<b>VICTIM WITNESS ADVOCATE</b>				
Health insurance	8,951	8,951	2,115	6,836
Social security	1,836	1,836	1,710	126
Salaries/other	24,000	24,000	23,858	142
Mileage and conference reimbursement	1,000	1,000	926	74
	35,787	35,787	28,609	7,178

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2003  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>FEDERAL GOVERNMENT (continued)</b>				
<b>OTHER FEDERAL EXPENDITURES (continued)</b>				
<b>COPS FAST GRANT - SHERIFF</b>				
Health insurance	\$ -	\$ -	\$ 7,401	\$ (7,401)
Social security	-	-	2,644	(2,644)
Retirement	-	-	1,433	(1,433)
Worker's compensation insurance	-	-	259	(259)
Salaries/other	-	-	35,686	(35,686)
	-	-	47,423	(47,423)
<b>BULLETPROOF VEST GRANT</b>				
New vehicles/equipment	39,412	39,412	17,679	21,733
<b>BYRNE EX PARTE GRANT</b>				
Social Security	-	-	5	(5)
Overtime	-	-	60	(60)
	-	-	65	(65)
<b>BYRNE DOMESTIC VIOLENCE GRANT</b>				
Software and equipment	-	11,046	11,698	(652)
<b>WEATHERIZATION GRANT</b>				
Other expenses	-	-	16,877	(16,877)
<b>EMERGENCY FOOD ASSISTANCE</b>				
Other expense	-	-	8,265	(8,265)
<b>EMERGENCY SHELTER GRANT</b>				
Other expenses	-	-	19,800	(19,800)
Total Other Federal expenditures	126,692	137,738	275,903	(138,165)
Total Federal expenditures	126,692	137,738	301,158	(163,420)
<b>STATE GOVERNMENT</b>				
<b>LMB STATE EXPENDITURES</b>				
<b>LMB - COMMUNITY POLICING</b>				
Passthrough funds	-	51,470	62,442	(10,972)
<b>LMB - YOUTH SERVICES GRANT</b>				
Health insurance	-	1,714	1,714	-
Social security	3,247	4,608	6,578	(1,970)
Retirement	605	2,575	605	1,970
Salaries/other	69,489	61,752	61,752	-
Worker's compensation insurance	-	2,692	2,692	-
	73,341	73,341	73,341	-

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2003  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>STATE GOVERNMENT (continued)</b>				
<b>LMB STATE EXPENDITURES (continued)</b>				
<b>LMB - ADMINISTRATION</b>				
Health insurance	\$ 11,628	\$ 11,628	\$ 19,442	\$ (7,814)
Social security	3,881	3,881	6,116	(2,235)
Retirement	3,163	3,163	2,767	396
Salaries/supervisor	43,280	43,280	43,280	-
Salaries/other	24,247	24,247	40,270	(16,023)
Telephone	3,500	3,900	1,306	2,594
Electric	3,000	3,000	1,619	1,381
Advertising	2,500	3,000	1,814	1,186
Contractual services	4,919	16,591	9,755	6,836
Rental of land and buildings	15,000	16,000	12,606	3,394
Office supplies	3,500	3,500	4,074	(574)
Other expense	-	-	131	(131)
Postage	1,000	1,000	2,146	(1,146)
Meeting registration	5,000	5,000	4,648	352
Mileage and conference reimbursement	2,500	3,500	3,368	132
Insurance-liability and property	2,000	2,400	1,205	1,195
Training expense	-	4,000	3,324	676
New vehicles/equipment	1,000	22,528	6,602	15,926
	130,118	170,618	164,473	6,145
<b>LMB - SERVICES</b>				
POS family preservation	271,399	-	-	-
POS healthy family training	-	9,994	-	9,994
POS community service initiation	-	34,416	-	34,416
POS diversion	172,494	95,250	50,974	44,276
POS home visiting	344,725	357,465	365,295	(7,830)
	517,219	452,715	416,269	36,446
<b>LMB - INCENTIVES-OCYF</b>				
Incentives	-	-	89,606	(89,606)
<b>LMB - POS EDUCATION BLOCK GRANT</b>				
Passthrough funds	52,552	52,552	52,552	-
<b>LMB - WELLNESS CENTERS</b>				
Passthrough funds	546,000	546,000	581,344	(35,344)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2003  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>STATE GOVERNMENT (continued)</b>				
<b>LMB STATE EXPENDITURES (continued)</b>				
<b>LMB - JUVENILE INTERVENTION</b>				
Passthrough funds	\$ -	\$ 7,160	\$ 7,260	\$ (100)
<b>LMB - COMMUNITY OUTREACH</b>				
Health insurance	17,500	16,400	13,195	3,205
Social security	6,013	6,013	5,122	891
Worker's compensation insurance	3,175	3,175	3,175	-
Salaries/other	80,170	77,170	69,221	7,949
Telephone	1,000	1,100	804	296
Printing and publishing	1,300	1,300	1,290	10
Contractual services	1,000	1,700	814	886
Auto expenses	1,064	1,164	1,418	(254)
Office supplies	1,500	1,800	1,666	134
Postage	500	500	500	-
Mileage and conference reimbursement	2,500	1,500	1,378	122
Insurance	850	850	845	5
Training expenses	1,000	1,000	594	406
New vehicles/equipment	2,000	5,300	5,255	45
Dues	500	600	600	-
Other expenses	3,428	3,928	3,595	333
	123,500	123,500	109,472	14,028
<b>LMB - LCC FLEX FUNDS</b>				
Contractual services	-	-	11,429	(11,429)
<b>LMB - SAFE AND STABLE FAMILIES</b>				
Passthrough funds	123,175	30,794	48,771	(17,977)
<b>LMB - GCAP/IG99-08</b>				
Passthrough funds	-	48,000	26,696	21,304
<b>LMB - COMMUNITY MOBILIZATION</b>				
Contractual services	-	9,600	8,243	1,357
Passthrough funds	-	-	40,699	(40,699)
Other expenses	-	-	867	(867)
	-	9,600	49,809	(40,209)
<b>LMD - VICTIM OUTREACH</b>				
Passthrough funds	-	3,333	3,333	-

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2003  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>STATE GOVERNMENT (continued)</b>				
<b>LMB STATE EXPENDITURES (continued)</b>				
<b>LMB - OTHER</b>				
Passthrough funds	\$ -	\$ -	\$ 43,301	\$ (43,301)
<b>LMB - ACROSS AGES</b>				
Health insurance	-	-	865	(865)
Social security	-	-	184	(184)
Salaries/other	-	-	2,405	(2,405)
Contractual services	-	-	1,600	(1,600)
Other expenses	-	-	9,710	(9,710)
Passthrough funds	-	-	127,690	(127,690)
	-	-	142,454	(142,454)
<b>FAMILY SERVICES GRANT</b>				
Health insurance	-	5,758	5,973	(215)
Social security	-	2,820	4,179	(1,359)
Worker's compensation insurance	-	2,307	577	1,730
Salaries/other	36,859	36,859	36,859	-
Other expenses	-	66,050	54,800	11,250
	36,859	108,036	102,388	11,406
<b>YOUTH SERVICES - FAMILY PRESERVATION</b>				
Health insurance	12,549	11,213	11,214	(1)
Social security	6,452	6,437	6,283	154
Retirement	3,516	3,508	3,355	153
Worker's compensation insurance	3,406	3,668	3,668	-
Salaries/other	86,013	84,138	84,112	26
Telephone	100	100	2,184	(2,084)
Printing and publishing	100	236	136	100
Auto expenses	800	800	801	(1)
Office supplies	200	200	200	-
Other expenses	1,264	2,614	3,255	(641)
Postage	100	88	88	-
Mileage and conference reimbursement	300	600	730	(130)
Training expense	100	266	266	-
New vehicles/equipment	100	1,132	1,482	(350)
	115,000	115,000	117,774	(2,774)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2003  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>STATE GOVERNMENT (continued)</b>				
<b>LMB STATE EXPENDITURES (continued)</b>				
<b>LMB - COMMUNITY CARE</b>				
Health insurance	\$ -	\$ -	\$ 1,504	\$ (1,504)
Social security	-	-	744	(744)
Salaries/other	-	-	17,489	(17,489)
Other expenses	-	-	15,428	(15,428)
	-	-	35,165	(35,165)
Total LMB state expenditures	1,717,764	1,792,119	2,137,879	(340,002)
<b>OTHER STATE EXPENDITURES</b>				
<b>SCHOOL RESOURCE OFFICER</b>				
Health insurance	-	-	5,338	(5,338)
Social security	-	-	3,957	(3,957)
Retirement	-	-	1,116	(1,116)
Workers compensation	-	-	2,373	(2,373)
Salaries/other	-	-	53,791	(53,791)
	-	-	66,575	(66,575)
<b>MARYLAND TORNADO ASSISTANCE GRANT</b>				
Passthrough funds	-	-	11,500	(11,500)
New vehicles and equipment	-	-	26,524	(26,524)
	-	-	38,024	(38,024)
<b>SCHOOL BUS SAFETY</b>				
Social Security	-	-	912	(912)
Worker's compensation insurance	-	-	246	(246)
Salaries/other	-	-	11,925	(11,925)
	-	-	13,083	(13,083)
<b>HOMELESS GRANT</b>				
Other expenses	-	-	42,670	(42,670)
<b>TRANSPORTATION GRANT</b>				
Other expenses	-	-	469,371	(469,371)
<b>COMMUNITY SERVICE GRANT</b>				
Social security	1,645	1,645	1,677	(32)
Salaries/Other	21,676	21,676	21,926	(250)
New vehicles and equipment	-	-	1,695	(1,695)
	23,321	23,321	25,298	(1,977)

**DORCHESTER COUNTY, MARYLAND**

**EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
SPECIAL REVENUE - GRANTS FUND  
Year Ended June 30, 2003  
(continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>STATE GOVERNMENT (continued)</b>				
<b>OTHER STATE EXPENDITURES</b>				
<b>QUEST</b>				
Social security	\$ 2,295	\$ 2,295	\$ 2,477	\$ (182)
Worker's compensation	1,155	1,155	2	1,153
Salaries/other	30,000	30,000	32,558	(2,558)
Contractual services	9,000	9,000	32,835	(23,835)
Other expenses	7,550	7,550	8,307	(757)
	50,000	50,000	76,179	(26,179)
<b>PROGRAM OPEN SPACE</b>				
Capital outlay	-	50,000	412,725	(362,725)
<b>PILG GRANT- MD HIST TRUST</b>				
Contractual services	24,000	24,000	20,300	3,700
Travel expense	1,000	1,000	80	920
	25,000	25,000	20,380	4,620
<b>TOURISM DEVELOPMENT GRANT</b>				
Advertising	35,000	35,000	18,000	17,000
<b>DNR WATERWAY IMPROVEMENT GRANT</b>				
Contractual services	-	61,816	274,646	(212,830)
Total other state expenditures	133,321	195,137	1,456,951	(1,211,814)
Total state expenditures	1,851,085	1,987,256	3,594,830	(1,551,816)
<b>LOCAL EXPENDITURES</b>				
<b>HERITAGE TOURISM PLANNING GRANT</b>				
Advertising	3,400	3,400	3,278	122
Printing and publishing	4,500	4,500	4,500	-
Other expenses	11,000	11,000	10,454	546
Lodging and meals	100	100	22	78
	19,000	19,000	18,254	746
<b>MARYLAND HERITAGE OPERATING GRANT</b>				
Salaries/supervisor	10,000	10,000	1,344	8,656
Salaries/other	20,000	20,000	8,261	11,739
Other expenses	20,000	20,000	7,882	12,118
	50,000	50,000	17,487	32,513
Total local expenditures	20,000	20,000	35,741	33,259
<b>OTHER EXPENSES</b>	-	-	73,698	(73,698)
<b>Total expenditures</b>	<b>\$ 1,997,777</b>	<b>\$ 2,144,994</b>	<b>\$ 4,005,427</b>	<b>\$ (1,755,675)</b>



## ADDITIONAL SUPPLEMENTARY INFORMATION

# DORCHESTER COUNTY, MARYLAND

## REVENUE AND EXPENDITURE DETAIL BUDGET AND ACTUAL CAPITAL FUND Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
County transfer tax	\$ 68,990	\$ 68,990	\$ -	\$ (68,990)
Interest	-	-	130,019	130,019
<b>Total revenues</b>	<b>68,990</b>	<b>68,990</b>	<b>130,019</b>	<b>61,029</b>
<b>EXPENDITURES:</b>				
Information technology - capital outlay	-	-	66,741	(66,741)
Information technology - new vehicles/equipment	268,000	272,760	141,631	131,129
County council - new vehicles/equipment	1,750	1,750	870	880
Circuit court - capital outlay	6,590	6,590	6,590	-
Courthouse building - capital outlay	62,400	62,400	-	62,400
State's attorney - capital outlay	3,000	3,000	2,968	32
County office building - capital outlay	11,500	11,500	-	11,500
County office building - new vehicles/equipment	53,760	49,000	44,999	4,001
Elections - new vehicles and/or equipment	292,159	292,159	20,537	271,622
Finance office - new vehicles/equipment	4,500	4,500	4,199	301
Planning and zoning - new vehicles and/or equipment	14,800	14,800	12,997	1,803
Sheriff's office - new vehicles/equipment	96,859	96,859	109,338	(12,479)
Emergency medical services	4,563	4,563	2,468	2,095
Detention center - new vehicles and/or equipment	22,500	22,500	22,500	-
Schools - Maces Lane Middle school 2001 bond	-	-	140,989	(140,989)
Schools - new vehicles and/or equipment	202,000	202,000	-	202,000
Schools - capital outlay	1,722,000	1,722,000	-	1,722,000
Schools - Capital Projects FY 2003	-	-	105,201	(105,201)
Schools - Capital Projects FY 2002	-	-	269,029	(269,029)
Schools - Capital Projects FY 2001	-	-	11,920	(11,920)
Animal control - new vehicles/equipment	34,250	34,250	34,250	-
Economic Development - new vehicles/equipment	10,000	10,000	8,901	1,099
911 telephone system - new vehicles/equipment	1,245,000	1,245,000	83,605	1,161,395
Tourism - capital outlay	-	-	6,100	(6,100)
Public works-airport - new vehicles/equipment	11,500	11,500	13,380	(1,880)
Public works-solid waste - new vehicles/equipment	324,000	324,000	-	324,000
Human resources - new vehicles/equipment	6,200	6,200	1,732	4,468
Treasurer's office - new vehicles/equipment	4,800	4,800	4,722	78

**DORCHESTER COUNTY, MARYLAND**

**REVENUE AND EXPENDITURE DETAIL  
BUDGET AND ACTUAL  
CAPITAL FUND**

**Year Ended June 30, 2003**

**(continued)**

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>EXPENDITURES (continued):</b>				
Public works-solid waste - capital outlay	\$ 5,019,664	\$ 5,445,264	\$ -	\$ 5,445,264
Public works-highway - new vehicles/equipment	321,000	321,000	188,717	132,283
Public works-highway - capital outlay	60,669	60,669	5,109	55,560
Health - capital outlay	-	-	3,537	(3,537)
Engineering - new vehicles/equipment	25,000	25,000	14,616	10,384
Erosion control - contractual services	-	-	57,334	(57,334)
Road maintenance	-	-	79,565	(79,565)
New vehicles and equipment	19,600	19,600	19,086	514
Cost of bond issuance	-	-	13,760	(13,760)
<b>Total expenditures</b>	<b>9,848,064</b>	<b>10,273,664</b>	<b>1,497,391</b>	<b>8,776,273</b>
<b>Deficiency of revenues over expenditures</b>	<b>(9,779,074)</b>	<b>(10,204,674)</b>	<b>(1,367,372)</b>	<b>(8,837,302)</b>
<b>OTHER FINANCING SOURCES:</b>				
Note proceeds	3,685,593	3,685,593	57,334	(3,628,259)
Lease purchase agreement	1,318,028	1,318,028	-	(1,318,028)
Bond proceeds	1,924,000	1,924,000	-	(1,924,000)
Reappropriated beginning fund balance-landfill	2,003,400	2,003,400	-	(2,003,400)
Operating transfers in	848,053	848,053	848,053	-
<b>Total other financing sources</b>	<b>9,779,074</b>	<b>9,779,074</b>	<b>905,387</b>	<b>(8,873,687)</b>
<b>Excess of other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ (425,600)</b>	<b>\$ (461,985)</b>	<b>\$ (36,385)</b>

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL  
AIRPORT ENTERPRISE FUND  
Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Operating:				
Hangar and facility rentals	\$ 45,297	\$ 45,297	\$ 47,278	\$ 1,981
T-hangar rentals	63,399	63,399	65,279	1,880
Tie-down rentals	3,172	3,172	3,681	509
Fuel sales	260,000	260,000	227,011	(32,989)
Miscellaneous revenue	2,643	2,643	2,479	(164)
<b>Total revenues</b>	<b>374,511</b>	<b>374,511</b>	<b>345,728</b>	<b>(28,783)</b>
<b>EXPENSES:</b>				
Operating:				
Electric	8,200	8,200	9,328	(1,128)
Repairs and maintenance	12,000	12,000	9,772	2,228
Contracted services - other	6,832	6,832	3,990	2,842
Meetings/conferences/registrations	300	300	30	270
Salaries and wages	112,963	112,963	99,231	13,732
Fringes/payroll taxes/workers' compensation	40,214	40,214	29,457	10,757
Phone	1,000	1,000	1,808	(808)
Uniforms	1,100	1,100	1,073	27
Miscellaneous	6,500	6,500	9,125	(2,625)
Fuel farm	800	800	463	337
Refueler lease	13,800	13,800	13,200	600
Fuel	156,000	156,000	148,170	7,830
Office supplies	1,200	1,200	868	332
Insurance	30,300	24,500	24,426	74
New vehicles and equipment	-	5,800	-	5,800
Operating expenses before depreciation	391,209	391,209	350,941	40,268
Depreciation	143,794	143,794	210,630	(66,836)
<b>Total operating expenses</b>	<b>535,003</b>	<b>535,003</b>	<b>561,571</b>	<b>(26,568)</b>
<b>Operating loss</b>	<b>(160,492)</b>	<b>(160,492)</b>	<b>(215,843)</b>	<b>(55,351)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Grants - Federal government	128,000	128,000	1,081,595	953,595
Grants - state government	8,000	8,000	909,695	901,695
Interest expense	(3,665)	(3,665)	(1,985)	1,680
Transfers from general fund	227,157	227,157	227,157	-
<b>Total non-operating revenues</b>	<b>359,492</b>	<b>359,492</b>	<b>2,216,462</b>	<b>1,856,970</b>
<b>Net income</b>	<b>\$ 199,000</b>	<b>\$ 199,000</b>	<b>\$ 2,000,619</b>	<b>\$ 1,801,619</b>

**DORCHESTER COUNTY, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENSES**  
**BUDGET AND ACTUAL**  
**LANDFILL ENTERPRISE FUND**  
**Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Operating:				
Tipping fees	\$ 1,479,576	\$ 1,479,576	\$ 1,809,734	\$ 330,158
Permits	80,000	80,000	75,020	(4,980)
Miscellaneous	9,000	9,000	6,995	(2,005)
Total operating revenues	1,568,576	1,568,576	1,891,749	323,173
<b>EXPENSES:</b>				
<b>Public Works - Solid Waste Recycling</b>				
Operating:				
Contractual services	15,000	15,000	1,236	13,764
Equipment lease and rent	1,000	1,000	-	1,000
Miscellaneous	500	500	-	500
Mileage and conference reimbursements	500	500	-	500
<b>Public Works - Solid Waste</b>				
Operating:				
Salaries and wages	400,949	395,949	378,735	17,214
Fringe benefits, payroll taxes, and workers' compensation	133,504	133,504	109,311	24,193
Equipment lease and rent	165,000	145,000	50,935	94,065
Contractual services	106,723	106,723	13,029	93,694
Closure and postclosure costs accrual	125,000	125,000	416,685	(291,685)
Utilities and fuel	36,600	36,600	46,594	(9,994)
Insurance	2,600	2,600	2,342	258
Materials and supplies	20,500	25,500	13,391	12,109
Uniforms	4,000	4,000	3,700	300
Repairs and maintenance	50,000	70,000	62,682	7,318
Legal	500	500	70	430
Miscellaneous	6,200	6,200	1,882	4,318
Operating expenses before depreciation	1,068,576	1,068,576	1,100,592	(32,016)
Depreciation	580,000	580,000	487,830	92,170
Total operating expenses	1,648,576	1,648,576	1,588,422	60,154
Operating income (loss)	(80,000)	(80,000)	303,327	383,327
<b>NON-OPERATING REVENUES:</b>				
Operating transfers	-	-	-	-
Financial income, net	80,000	80,000	63,350	(16,650)
Total non-operating revenues	80,000	80,000	63,350	(16,650)
Net income	\$ -	\$ -	\$ 366,677	\$ 366,677

**DORCHESTER COUNTY, MARYLAND****COMBINING BALANCE SHEET****CAPITAL PROJECTS FUNDS****June 30, 2003**

	<u>Capital Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 6,029,285	\$ 955,190	\$ 6,984,475
Bond issuance costs, net	85,213	79,255	164,468
<b>Total assets</b>	<b>\$ 6,114,498</b>	<b>\$ 1,034,445</b>	<b>\$ 7,148,943</b>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	\$ 246,187	\$ -	\$ 246,187
Interfund payables	317,181	18,918	336,099
<b>Total liabilities</b>	<b>563,368</b>	<b>18,918</b>	<b>582,286</b>
<b>FUND BALANCES</b>			
Reserved for:			
Fund purposes	5,551,130	1,015,527	6,566,657
<b>Total fund balances</b>	<b>5,551,130</b>	<b>1,015,527</b>	<b>6,566,657</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,114,498</b>	<b>\$ 1,034,445</b>	<b>\$ 7,148,943</b>

**DORCHESTER COUNTY, MARYLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
Year Ended June 30, 2003**

	Capital Fund	Capital Projects Fund	Total
<b>REVENUES:</b>			
Interest	\$ 115,792	\$ 14,227	\$ 130,019
Total revenues	115,792	14,227	130,019
<b>EXPENDITURES:</b>			
Capital projects and real estate acquisition	-	22,662	22,662
Capital outlay	1,474,729	-	1,474,729
Total expenditures	1,474,729	22,662	1,497,391
Deficiency of revenues over expenditures	(1,358,937)	(8,435)	(1,367,372)
<b>OTHER FINANCING SOURCES:</b>			
Note Proceeds	57,334	-	57,334
Operating transfers in (out)	848,053	-	848,053
Total other financing sources	905,387	-	905,387
Deficiency of revenues and other financing sources over expenditures	(453,550)	(8,435)	(461,985)
Fund balances, beginning of year	6,004,680	1,023,962	7,028,642
Fund balances, end of year	\$ 5,551,130	\$ 1,015,527	\$ 6,566,657

**DORCHESTER COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**June 30, 2003**

	Other Governmental Funds		
	Commissary Fund	Tourism Marketing Fund	Totals
<b>ASSETS</b>			
Cash and investments	\$ 30,506	\$ -	\$ 30,506
Accounts receivable	-	350	350
Interfund	-	20,700	20,700
<b>Total assets</b>	<b>\$ 30,506</b>	<b>\$ 21,050</b>	<b>\$ 51,556</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 7,218	\$ 7,218
Interfund	-	1,270	1,270
Deferred revenues	30,506	12,562	43,068
<b>Total liabilities</b>	<b>30,506</b>	<b>21,050</b>	<b>51,556</b>
<b>FUND BALANCES</b>			
Unrestricted	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 30,506</b>	<b>\$ 21,050</b>	<b>\$ 51,556</b>



**DORCHESTER COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2003**

	Other Governmental Funds		
	Commissary Fund	Tourism Marketing Fund	Totals
<b>REVENUES</b>			
Phone commissions	\$ 67,691	\$ -	\$ 67,691
Advertising support	-	12,599	12,599
Miscellaneous	39,933	-	39,933
<b>Total revenues</b>	<b>107,624</b>	<b>12,599</b>	<b>120,223</b>
<b>EXPENDITURES</b>			
Contractual services	18,271	-	18,271
Building maintenance	32,265	-	32,265
Advertising and promotion	-	76,849	76,849
Printing and publication	-	19,485	19,485
Other expenses	57,088	-	57,088
<b>Total expenditures</b>	<b>107,624</b>	<b>96,334</b>	<b>203,958</b>
Deficiency of revenues over expenditures	-	(83,735)	(83,735)
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	83,735	83,735
Deficiency of revenues and other financing sources over expenditures	-	-	-
Fund balance, beginning of year	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**DORCHESTER COUNTY, MARYLAND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
DEFERRED COMPENSATION PLAN  
Year Ended June 30, 2003**

	Balances, June 30, <u>2002</u>	Employee <u>Contributions</u>	Earnings on <u>Investments</u>	<u>Distributions</u>	<u>Gains/Losses</u>	Balances, June 30, <u>2003</u>
Assets:						
Investments	\$ 660,214	\$ 119,728	\$ 24,766	\$ 17,404	\$ 1,308	\$ 788,612
Liabilities:						
Due to participants	\$ 660,214	\$ 119,728	\$ 24,766	\$ 17,404	\$ 1,308	\$ 788,612

**DORCHESTER COUNTY, MARYLAND**  
**SCHEDULE OF AGRICULTURE TAX REVENUE**  
**Year Ended June 30, 2003**

One third unexpended collections due to Maryland Department of Agriculture which has reached the age of three years	\$ 2,996
One-third of previous three years collected	51,295
Total unexpended balance at July 1, 2002	54,291
Add: Revenues - 2002-2003	56,262
Total to be accounted for	110,553
Less: Expenditures under Article 13 - Section 301 Agriculture Transfer Act - 2001-2002	
Two-thirds to Comptroller of the Treasury	37,508
Maryland Department of Agriculture - (Funds over three years old)	-
Expenditures for benefit of Dorchester County Commissioners	-
Total expenditures	37,508
Unexpended balance at June 30, 2003	\$ 73,045
Unexpended balance reconciliation:	
One-third of collection due Maryland Department of Agriculture which has reached the age of three years - unexpended	\$ 19,243
One-third of previous two years collections plus current year	53,802
Total	\$ 73,045